Lee Scores as Top Ladies' Brand with Upscale Discounters

Ladies
Ladies
Ladies
11.97

Gitano, the second most popular label, is on ladies' jeans and coordinates. Fisher's Big Wheel, Delaware, Ohio, featured the goods off the aisle at $11.97. (DSN *photo*)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Lee	17%	8%	25%	61%
Gitano	33	31	25	7
Wrangler	23	53	16	38
Chic	16	71	—	22
Levi's	6	—	6	37

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Lee	41%	28%	37%	37%
Gitano	28	26	23	26
Wrangler	17	30	27	19
Chic	8	30	21	11
Levi's	6	7	18	31
Playtex	5	3	7	10
Calvin Klein	3	5	2	—
Gloria Vanderbilt	6	3	2	—
Sasson	11	2	—	—
Jordache	3	2	4	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Lee	35%	23%	57%
Gitano	25	26	25
Wrangler	24	25	23
Chic	19	24	11
Levi's	15	7	31
Playtex	6	5	6
Calvin Klein	3	3	2
Gloria Vanderbilt	3	2	4
Sasson	2	1	6
Jordache	2	2	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

When it comes to naming top brands in ladies' apparel, discounters can't seem to reach a consensus.

For example, Lee was the most highly rated brand overall with a 35% score. Despite that, 57% of managers at upscale discount stores selected Lee as a top brand, while only 23% of conventional store managers agreed. When by-chain results are examined, almost two-thirds of Target managers, or 61%, considered Lee a top brand, but it was named by only one in 12 Wal-Mart managers.

The by-chain disparity regarding Lee can be explained by the company's policy of refusing to sell directly to some discounters, including Wal-Mart and K mart. But in most cases, numbers rise or fall simply because of the chains' current marketing strategies.

This year, 71% of Wal-Mart managers selected Chic as a top brand, but in 1985, the label's rating at the same chain was 6%. At Zayre, Chic had zero ratings for both years.

Gitano, the brand with the second-highest overall ranking, at 25%, shows relatively consistent numbers at both upscalers and conventionals, by region and at three of four chains highlighted. But at Target, its rating falls off precipitously. The conventional-store rating of Gitano was 26% and the upscale rating, 25%. Regionally, 28% of discount store managers in the Northeast rated it a top brand for the high score, while the low was only five points down at 23% in the North Central.

Gitano Big in Upscale

Last year, Gitano was the fourth-ranked brand at 16% overall but was chiefly well-regarded at upscale chains. Conventional store managers gave it only an 11% score, while 27% of managers at upscale stores cited it as a top brand.

Wrangler, too, this year got nearly identical ratings from conventionals and upscalers at 25% and 23%, respectively. In 1985, upscalers gave it a 10-point margin with their 41% rate of mention, against 31% at conventionals.

In the 1986 by-chain analysis, Wrangler was a favorite brand at Wal-Mart, with a 53% score, a gain from 32% in 1985. It also did relatively well at Target with 38%, but last year, Target gave Wrangler a 70% rate of mention.

Wrangler's Zayre rating showed little change at 16% this year, but the brand dropped 16 points at K mart in 1986 to 23%. Overall, Wrangler was the second-highest rated brand in 1985, with a 34% score, but has dropped to third at 24%.

Chic placed fourth this year with 19% overall but was favored significantly by managers of conventional stores. The 24% rating at conventionals doubled last year's 12%, while the 11% scored at upscalers this year was one point higher than in 1985.

Chic's huge jump in recognition at Wal-Mart was by far the most notable change for any brand in 1986. Moreover, Chic displayed considerable strengthening at two other chains, especially Target.

Last year, 2% of Target managers regarded Chic as a top brand. This year, there was an elevenfold increase in recognition to 22%.

The K mart results were less startling but worthy of note. In 1985, 9% of K mart managers cited Chic as a top brand. The 1986 figure was almost double at 16%.

Levi's, with 15%, the last brand with a significant rate of mention in 1986, refuses to sell directly to any discounter. Upscalers are evidently far more willing to go to the trouble of securing Levi's merchandise than conventional stores because their managers gave the brand a 31% rating, while only 7% of managers of conventional stores considered it one of their key names.

Last year, Levi's was the third-ranked brand overall, with a 21% score.

Levi's lost considerable ground at Target and K mart in 1986. While its Target rating of 37% is still strong, it's only slightly better than half of 1985's 70% rate of mention. At K mart, just 6% of manag-

(Continued on page 28)

Growth Regions

▨ Northeast: 27%
▨ South: 11%
▨ North Central: 13%
▨ West: 22%

In ladies apparel, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the Northeast—27%.

Source: DSN/*Leo J. Shapiro & Assoc.*

See us during market week or call 1-800-233-2261

BRAXTON
THE EXTRA
STRETCH
PERFORMER
DESIGNER JEANS

Corporate Office
1702 Metro Drive
Carrollton, TX 75006
214-446-2668

Dallas Showroom:
Jim Burgin
Menswear Market M2F07
Dallas, TX 75258
214-630-0474

Los Angeles Showroom:
Joseph Mau
California Merch. Market
110 East 9th Street, Rm C-923
Los Angeles, CA 90079
213-746-1737

Atlanta Showroom:
Mike Greenstein
250 Spring Street
Room 7 E 323
Atlanta, GA 30303
404-524-7720

New York Showroom:
Chuck Yoas
1350 Broadway, Rm 1404
New York, NY 10018
212-967-2600

Braxton is the official jean of the Mrs. America Pageant and offers the most in permanent press and stretch jeans.

LADIES' APPAREL/TOP BRANDS

Upscalers Cite Lee Most Often as Top Ladies' Apparel Brand

(Continued from page 27)

ers selected Levi's as a top brand this time. A year ago, 28% of the store managers named it.

The brand's ratings changes at Wal-Mart and Zayre were insignificant. Both chains last year gave Levi's a 3% score. This year, the jeans moved to 6% at Zayre but got a zero rating from Wal-Mart managers.

None of the other five brands among the top 10 exceeded a 6% rate of mention. Playtex, the only non-jeans-associated name among the 10, led the runners-up. The four remaining names—Calvin Klein, Gloria Vanderbilt, Sasson and Jordache—all are designer labels most often identified with fashion jeans. Calvin Klein and Gloria Vanderbilt scored 3% overall and Sasson and Jordache, 2%. None of the four scored significantly higher among upscale discounters despite their fashion image.

The designers especially took it on the chin in the West. Not one of the four was mentioned by even 1% of the store managers in that region. Sasson edged into double digits in one region when it was cited as a top brand by 11% of Northeastern store managers. The next best regional result for designers was Vanderbilt's 6% score in the same region.

Other regional results showed a degree of softness for the Lee brand in the South. It rated mention by only 28% of store managers there while scoring with 37% of managers in the West and North Central regions and 41% in the Northeast.

Gitano's regional results were more consistent, varying five points from a low of 23% in the North Central to 28% in the Northeast.

The Northeast was Wrangler's weakest region, with a 17% score. The West was better at 19%, but the brand posted 27% in the North Central region and 30% in the South.

The South was Chic's best region with 30%, undoubtedly aided by the brand's newfound popularity with Wal-Mart. It also did well in the North Central region at 21% but dropped off in the West and Northeast at 11% and 8%, respectively.

Levi's also displayed a wide disparity in its regional ratings with discounters. Managers in the West regarded the brand well, awarding it a 31% score. Support was more tepid in the North Central but still reasonably strong with an 18% rating. In sharp contrast, southern and northeastern discounters scored Levi's at 7% and 6%, respectively.

In ladies' wear, jeans labels continue to dominate the top brands' list, according to the 1986 DSN *survey. Above is Prange-Way, Green Bay, Wis.*
(DSN *photo*)

MEN'S APPAREL/TOP BRANDS

Men's Wear Top Two Retain Their Brand Leadership in '86

Nationwide DSN Report

Two jeans brands—Wrangler and Lee—remained the most important men's apparel names to discount store managers.

In *DSN's* 1986 Top Brands survey, Wrangler emerged more than ever as a key brand for conventional discounters, while Lee replaced Levi's in the minds of upscale store managers.

Wrangler headed the list of the 10 top brands, raising its 1985 score by three points in 1986, when 43% of all discount store managers surveyed selected it as a leading men's apparel brand. Lee remained in second place, even though its overall score dropped to 36%.

Levi's, last year's third-place brand, dipped 10 points to 21% and fifth place chiefly because its rating among upscale discounters dropped from 52% to 35%. That Levi's is a significant brand at all for discounters is a testament to its national appeal. The company steadfastly has refused to sell directly to discounters, forcing chains that want the label to scramble for other sources of supply. The drop in Levi's rating may signify that more upscale discounters are unwilling to wait around Levi's back door when Lee has the welcome mat out at the front.

Earlier in the year, Lee's parent company, VF Corporation, bought out Blue Bell, the manufacturer of Wrangler and Rustler jeans. One goal of that acquisition was to focus more sharply the appeal of the Wrangler and Lee labels to different market segments, reducing the brands' direct competition.

A comparison of 1985 and 1986 survey results indicates that the goal is on the way to being met. Lee traditionally aimed for an upscale audience while Wrangler, which took a more promotional approach, also sought to compete with Lee and Levi's.

In 1985, before the merger, Wrangler was cited as a top name by 42% of the conventional discount store managers surveyed. In the upscale store segment, 37% of managers considered Wrangler an important factor.

Wrangler Ratings Rise

This year, Wrangler's rating at conventional stores rose to 49% but dropped to 31% among upscalers.

Combined with the Lee figures, the distinction between the brands becomes sharper. Last year, Lee was cited as an important brand by a third of conventional discounters but by only a fourth this year. Among upscalers, its 1985 rating was 49%, rising to 57% this year.

A similar positioning pattern appears for Fruit of the Loom and Hanes, the underwear brands that finished third and fourth.

Fruit of the Loom, the third-rated brand overall at 29%, showed slightly more strength at conventional stores with a 30% rating than upscale stores, where managers awarded it a 26% score. Hanes, at 24% among all discount store managers, scored with only 21% of the conventionals but jumped to a 31% rating among upscalers.

Among the other brands in the top 10, Dickies and Rustler scored well at conventional stores but dropped almost out of sight at upscale discounters. Dickies scored a solid 25% rating among conventionals but only one-in-100 upscalers considered it a top brand. Rustler scored with 19% of conventional store managers against only 5% of their counterparts at upscale stores. Last year, before the Blue Bell acquisition, upscalers gave Rustler the higher grade by a 9% to 5% margin.

Reed st. James was clearly preferred by upscale stores with a 15% rating but plummeted to 2% at conventional stores for an overall score of 7%, good for ninth place.

Both McGregor sportswear, in seventh place with an overall rating of 15%, and tenth-place Garan, at 4%, achieved relatively consistent scores among both conventionals and upscalers.

Among highlighted chains, Wrangler was the clearly pre-

(Continued on page 30)

The popularity of the Wrangler brand in men's wear sections of traditional chains such as the Wal-Mart (Festus, Mo.), shown here, kept that brand ahead in DSN*'s annual top brands poll. This year, VF Corp., parent company of Lee jeans, took over Wrangler's parent company, Blue Bell.* (DSN *photo*)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Wrangler	53%	82%	41%	38%
Lee	15	3	45	65
Fruit of the Loom	34	29	46	31
Hanes	22	17	30	33
Levi's	13	3	21	49

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Men's Wear Top Two Retain Their Brand Leadership in '86

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Wrangler	43%	49%	31%
Lee	36	25	57
Fruit of the Loom	29	30	26
Hanes	24	21	31
Levi's	21	15	35
Dickies	17	25	1
McGregor	15	14	18
Rustler	14	19	5
Reed st. James	7	2	15
Garan	4	5	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Wrangler	35%	49%	40%	46%
Lee	47	29	40	28
Fruit of the Loom	22	33	32	31
Hanes	18	23	31	22
Levi's	15	18	28	22
Dickies	14	28	12	9
McGregor	20	16	15	10
Rustler	6	24	13	8
Reed st. James	20	4	5	—
Garan	3	5	7	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

(Continued from page 28)

ferred brand at Wal-Mart and K mart, with 82% and 53% rating, respectively. Lee, which refuses to sell directly to either of these two chains, was considered a top brand by only 3% of Wal-Mart managers and 15% at K mart.

At Zayre, which has a more fashionable soft lines image among conventional discounters, the two brands were rated more evenly, with the edge going to Lee by a 45% to 41% margin. At Target, the upscale chain highlighted, managers clearly gave Lee the edge as a top brand, with a 65% rating, compared to Wrangler's 38%. Last year, the Target scores for the two brands were nearly identical, with Lee nosing out Wrangler by a 47% to 44% margin.

Fruit of the Loom's scores were consistent at around 30% at three of the chains but jumped to 46% at Zayre. Hanes scored a low of 17% at Wal-Mart but almost doubled that at Target with 33%.

Wal-Mart managers all but ignored Levi's, giving the brand a 3% rating. Nonetheless, Levi's scored a strong 49% when Target managers were polled, but that score still is down significantly from last year's 70%.

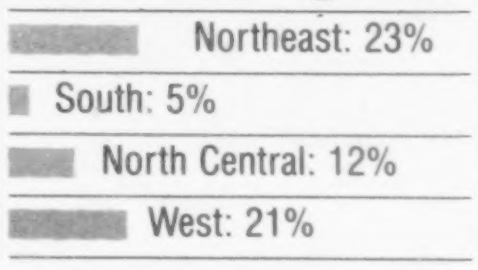
Repositioning Evident

Regionally, the repositioning of Wrangler and Lee by VF is becoming evident. Lee was strongest in Wrangler's weakest regions and Wrangler strongest in Lee's weakest. VF is positioning Lee for the fashion-conscious urban and suburban life styles, and the brand's strongest regions were the Northeast and North Central. Wrangler is aimed at a casual and rural audience, with singer Willie Nelson as a spokesman and the brand's sponsorship of stock car races and rodeos. Its best regions are the South and West.

Fruit of the Loom, Hanes and Levi's each scored relatively consistently with discounters in three of the regions but either rose or fell significantly in a fourth. For Fruit of the Loom, the Northeast stood out as a weak spot, while Hanes and Levi's saw their scores jump when managers in the North Central region were polled.

Among other brands, Rustler showed far greater strength in the South, while Reed st. James' following was concentrated in the Northeast.

Growth Regions



In men's apparel, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the Northeast—21%.

Source: DSN/*Leo J. Shapiro & Assoc.*

SPALDING SOCKS WITH DURATHON WEAR 60 PERCENT LONGER.

Neuville's new Spalding® socks knit from Durathon™ yarn have been tested to last 60 percent longer than products similarly constructed of cotton, wool or acrylic yarns.

They have the luxurious comfort expected from Durathon's intimate blend of 75 percent Orlon Acrylic® and 25 percent spun nylon. And—for just pennies more a pair—they're going to have it 60 percent longer.

For more information, call your Spalding socks sales representative.

Neuville

Neuville Industries/200 Madison Avenue/New York, NY, 10016/(212) 532-2510/(800) 223-6533 Outside New York State
West Coast Office/Neuville Industries/2200 Centinela Ave./Los Angeles, CA, 90064/(213) 879-5115
Orlon® is a registered trademark of DuPont.
Durathon™ is a registered trademark of Neuville Industries.

Children's Apparel Brands Score Poor Grades on Recognition

Nationwide DSN Report

Brand recognition is uncommonly weak in chain children's apparel departments.

Among the 17 store departments covered in the 1986 *DSN* Top Brands survey, the scores registered by children's apparel names were unusually low. Where, in other departments, leading brands frequently scored at 50% or more, the top name in children's apparel was selected by one out of five store managers.

Scoring is based on the percentage of discount store managers surveyed who cite a brand name as an important factor in a specific department in their stores.

Even with its relatively low rating, Garanimals, the leading name in 1985 as well as 1986, improved its performance this year. The Garanimals score of 20% this year was a four-point increase over its 1985 rating.

A sister product to the color-coordinated children's outfits, Garan placed fifth this year with a 10% rating.

Garanimals was more often selected by conventional discounters than by upscale stores. The label's rating at conventionals was 22%, higher than last year's 20%. Its rating among upscalers gained five points to 14%.

Wrangler, which tied for third place on last year's list with Garan at 11%, moved up to second place with a 15% score. Its appeal among conventionals and upscalers was consistent, with managers of conventional stores giving it an edge at 16% versus the 14% it scored with upscalers.

Lee maintained its 14% score from last year, but Wranglers' improvement eased the brand from second place to third for 1986. Lee was clearly preferred by managers of upscale stores, who gave it a robust (for this category) rating of 30%, a two-point rise from 1985. The brand slipped two points with conventionals to 7% this year.

RENS
GIRLS 4-6X
TODDLERS
$1.66

Children's apparel generally has the lowest incidence of brand recognition, the DSN poll shows. Still, discounters such as Heck's (Proctorville) Ohio are giving it increased space. (DSN *photo*)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Garanimals	6%	80%	3%	6%
Wrangler	9	48	13	13
Lee	1	—	17	34
Curity	12	16	9	31
Garan	1	27	6	7

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Tied with Lee this year is Curity, which almost tripled its 1985 rating of a mere 5%. Curity, too, scored strongly with upscalers, being selected as a top brand by one out of four managers. Last year's score with upscale discounters was a meager 10%. The brand also boosted its ratings among conventional store managers, but its 9% score, while more than double the 1985 number, is still relatively puny.

Garan's fifth-place rating of 10% is one point lower than in 1985. The label in conventionals and upscalers showed little variation, although managers of upscale stores rated it two points higher at 12%. A year ago, the difference was more marked. In 1985, the upscale rating was 16%, and the score with conventionals was 9%.

No other children's apparel brand scored in the double digits. Three labels were bunched next on the list at 6%, led by Gerber at 5% and Fruit of the Loom at 4%.

One of the brand's in the three-way tie for sixth place, Spencer's, achieved its rating solely because of its following at conventional stores. While scoring zero with upscalers, it had a 9% rate of mention among more numerous conventional store managers.

The two other brands in the tie did best with the upscalers. Levi's scored at 12% with them, against 3% with conventionals, and Health-tex had a 14% rate of mention with upscalers while scoring 2% with conventional stores.

While most other scores in this category were low, Garanimals was a very big hit at Wal-Mart, being cited by 80% of the managers surveyed. This was a substantial gainover its 1985 Wal-Mart score of 32%. Its scores at three other chains were dismal by comparison, ranging from a low of 3% to a high of just 6%.

Wal-Mart also thought highly of Wranglers as a children's apparel brand, awarding it a strong 48% score. Last

(Continued on page 36)

Underwear with a fashion flair...
Is our long suit.
Introducing New
Gerber, Long Mates™ LONG LEG UNDERWEAR SET
Gerber, twosies® TWO PIECE UNDERWEAR SET
cotton
Gerber
Babies are our business...

An innovator in infant apparel, Gerber covers the long and short of it with new Long Mates long leg underwear for infants. Like Twosies two-piece underwear they're 100% pure cotton, have an easy-on, easy-off neckline, printed elastic and come in rib knit or pointelle fabric.

For more information about our great selection of infant apparel and merchandising support contact your Gerber representative or stop by our showroom:

Gerber Products Company • 1333 Broadway, 4th Floor • New York, NY 10120 • (212) 564-5392

©1986 Gerber Products Company

Managers Rate Brand Recognition Lowest in Children's Wear

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Garanimals	20%	22%	14%
Wrangler	15	16	14
Lee	14	7	30
Curity	14	9	25
Garan	10	10	12
Levi's	6	3	12
Spencer's	6	9	—
Health-tex	6	2	14
Gerber	5	5	5
Fruit of the Loom	4	4	4

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Garanimals	13%	27%	18%	16%
Wrangler	17	20	13	10
Lee	23	7	22	8
Curity	21	13	14	10
Garan	3	9	14	13
Levi's	5	1	7	15
Spencer's	9	9	2	5
Health-tex	5	1	3	18
Gerber	3	3	6	8
Fruit of the Loom	12	2	3	1

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

(Continued from page 34)

year, the brand stood at 18% at the chain. Another bright spot for Wrangler was its Zayre score of 13% because, in 1985, the brand got a zero rating from the chain. The 1986 K mart score of 9% was a seven-point improvement, but Wrangler lost ground at Target, dropping to 13%.

Lee did well at Target with a 34% rating and respectably at Zayre with 17%. But Lee will not sell directly to K mart or Wal-Mart, accounting for its zero rating at Wal-Mart and 1% score at the industry's largest chain. All Lee scores for 1986 were in the same range as in 1985.

Curity was also favored by Target, scoring 31%. K mart and Wal-Mart also rated the brand relatively well, with scores of 12% and 16%, while Zayre's 9% rating matched the conventional store average. Curity's by-chain scores were not recorded last year since it did place among the category's top five brands.

Fifth-place Garan gained favor at Wal-Mart this year but lost considerable ground at Target. Its Wal-Mart score went up 11 points to 27%, but the label's rating at Target fell by more than two-thirds from 23% to just 7%. Garan's K mart and Zayre scores were consistent for both years.

Wal-Mart's strength in the South was evident in the score for Garanimals of 27% in that region. In other parts of the country, the brand's rate of mention ranged from 13% in the Northeast to 18% in the North Central region.

Wal-Mart was also a factor in Wrangler's 20% score with Southern discounters. Its weakest region was the West at 10%.

Both Southern and Western discounters gave Lee low marks of 7% and 8%, respectively. However, in the Northeast and North Central regions, the numbers jumped considerably to 23% and 22%.

Curity did best among Northeastern discounters with a 21% rating, sliding to less than half that in the West.

The Northeast was a notable weak spot for Garan with only a 3% rating. In other areas, it scored from three to almost five times as well.

Both Levi's and Health-tex were far more popular with Western discounters than in the rest of the country, while Fruit of the Loom was relatively big in the Northeast but a negligible factor elsewhere.

Growth Regions

▨ Northeast: 3%

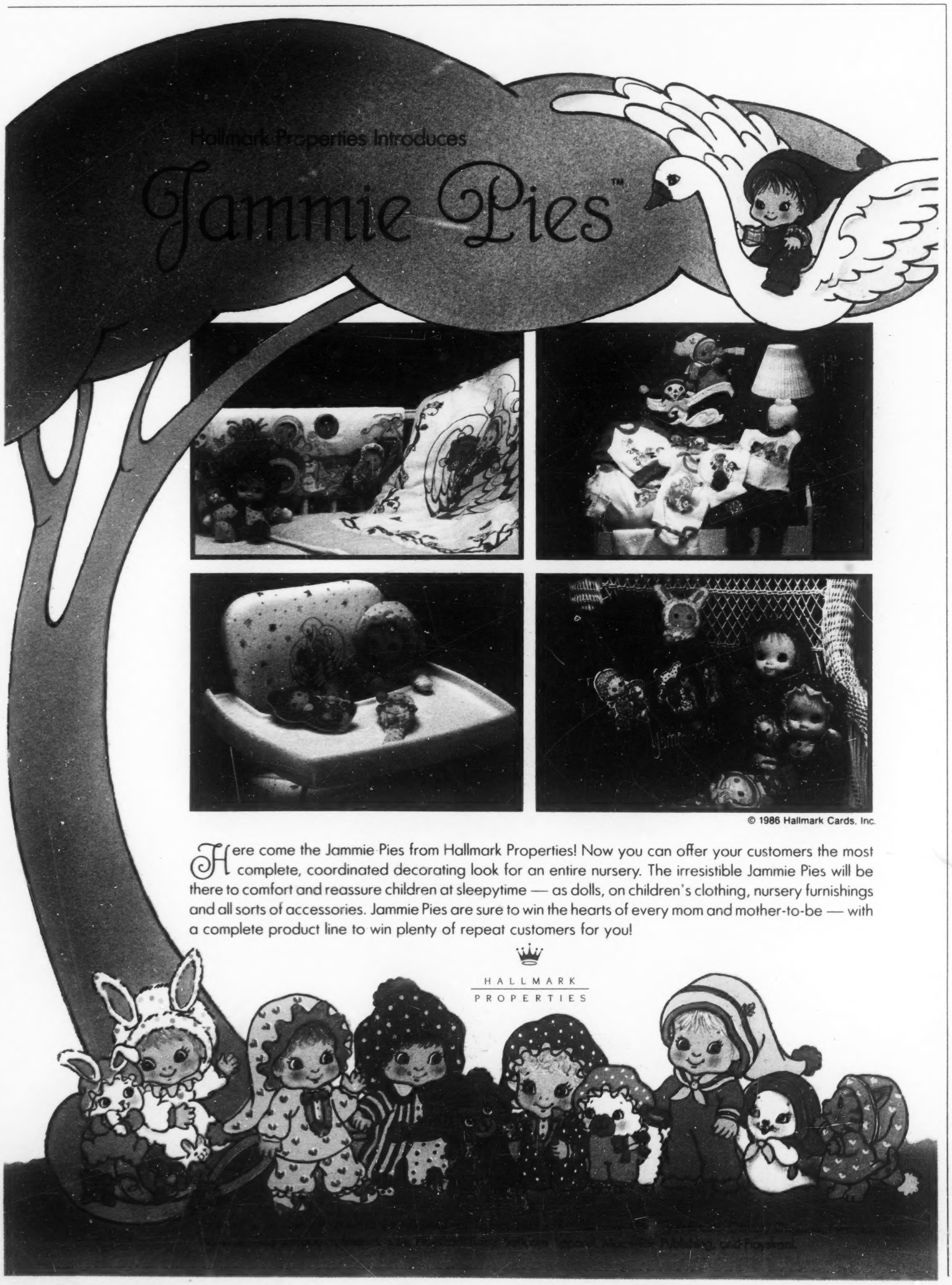
▨ South: 2%

▨ North Central: 6%

West: 0%

In children's apparel, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the North Central—6%.

Source: DSN/*Leo J. Shapiro & Assoc.*



© 1986 Hallmark Cards, Inc.

Here come the Jammie Pies from Hallmark Properties! Now you can offer your customers the most complete, coordinated decorating look for an entire nursery. The irresistible Jammie Pies will be there to comfort and reassure children at sleepytime — as dolls, on children's clothing, nursery furnishings and all sorts of accessories. Jammie Pies are sure to win the hearts of every mom and mother-to-be — with a complete product line to win plenty of repeat customers for you!

HALLMARK
PROPERTIES

Domestics Makers Challenge Cannon for Number One Spot

Nationwide DSN Report

Cannon remains the domestics powerhouse in discount stores, but the gap between it and other popular brands has narrowed.

In a survey of discount store managers, 62% named Cannon as a top brand in their domestics departments. Managers of conventional discount stores were especially high on this well-known name. There, seven out of 10 managers selected the Cannon name.

Among managers of upscale stores, Cannon also was the leader. But only two points behind, with a 44% rating, came the St. Mary's brand. St. Mary's finished third in the overall ranking at 26%, with a 17% rating among conventional stores.

bath shop
SAVE
2.99
4.90

At Jamesway in Peekskill, N.Y., shorter runs and freestanding fixtures are used to enhance brand assortment. (DSN photo)

The number two brand at all discounters was J.P. Stevens, selected as a key domestics brand by one out of three managers. Stevens fared best with conventionals, at a 39% rate of mention. One of five upscale managers selected the brand.

Last year, Cannon scored three times as often as St. Mary's, next highest brand.

In 1985, Cannon's strength was more evenly distributed, with a 55% rating at conventional stores and 57% at upscalers, producing an overall rating of 56%. St. Mary's was selected by 19% of all discount store managers, with conventionals rating the brand slightly higher at 20% than upscale store managers at 16%.

Stevens placed third in the 1985 survey with an overall rating of 17%. Again last year, Stevens was clearly preferred by the conventional store segment, in which 19% of managers considered it a top brand, than among upscalers, where only one-tenth of the managers selected the name. Stevens more than doubled its upscaler rating to 21%.

Lagging behind the top three, Springs and Kenney's tied at 10% overall for fourth place on the top 10 list. These brands last year were involved in a four-way tie for sixth place at only a 4% rate of mention by store managers.

Their numbers were consistent across the board, with both brands achieving a 13% rating at conventional stores and a 5% score with upscalers. In 1985, their rating among conventionals was only 5%, while at upscalers, Springs squeaked out a miniscule 1% rate of mention while Kenney's score was virtually zero.

The Pepperell/West Point brand lost 10 points in 1986 to a 7% rating among discounters. It fell from a third-place tie with Stevens to sixth place. As in 1985, Pepperell is more important to upscale stores, where it rated as a top brand by one-tenth of the managers, than to conventional stores, where its score was 6%.

Last year, however, Pepperell was far more highly regarded by upscalers, with a rating of 27%. Managers of conventional stores in 1985 awarded it a 13% rating.

Like Springs and Kenney's, Burlington and Fieldcrest turned in identical 1986 performances for a seventh-place tie. Their overall rating was just behind Pepperell at 6%, with conventional store managers showing a preference at a rate of mention of 7%, compared to 3% at upscale stores.

Last year, Burlington was the fifth most highly regarded brand overall, but its score was still 8%. Its rate of mention was twice as high at conventional stores at 10% than upscalers at 5%.

Fieldcrest was one of the four brands in the sixth place tie in 1985.

Close behind was Santa Cruz, which scored with 5% of all discounters. It also had ratings of 7% and 3% at conventionals and upscalers respectively. Last year, Santa Cruz shared a 4% rating with Fieldcrest, Springs and Kenney's while scoring 5% at conventional stores and 2% at upscalers.

Newell replaced Dan River as the tenth-rated brand in 1986 with a 2% overall rating. Managers of upscale stores did not mention Newell, while conventionals scored it a 4%.

Dan River dropped from a 1985 rating of 3% to less than 1% this year.

Cannon's higher 1986 overall score was fueled by heightened support among managers at discounting's two largest chains, K mart and Wal-Mart. Wal-Mart was especially high on the brand, giving it a 98% score, while K mart managers were scarcely more restrained at 88%. Last year, the Wal-Mart and K mart scores were 73% and 67%, respectively.

At Zayre and Target, Cannon's ratings were virtually reversed in a year. In 1986, Cannon's Zayre rating was 68%, and the Target score was 42%. A year ago, the brand was a top domestics name for 43% of Zayre managers and 67% of Target managers.

Stevens also was highly popular at Wal-Mart with an 88% rating. It was also held in high regard at K mart, where it received a 56% score. At the third conventional discounter, Zayre, Stevens fell to 20%.

Nonetheless, Stevens outperformed St. Mary's at Target by a 35% to 33% margin, although St. Mary's generally was the clear preference of the two among upscalers.

Of the four highlighted chains, Zayre was St. Mary's biggest booster, with managers awarding it a 48% rate of mention as a top brand. St. Mary's did worse at the two dominant chains, with a K mart score of 13% and a 6% rating at Wal-Mart.

While Springs and Kenney's average numbers were identical, the by-chain breakdown showed variance. The two were nearly equal at K mart, with 15% and 12% scores respectively, and Target, where Springs was cited by 3% of managers and Kenney's by virtually none.

Spring's outshined Kenney's at Wal-Mart, however, by a 40% to 9% margin, while Kenney's buried its rival at Zayre by 43% to 9%.

Regionally, Cannon was stronger in the South and West, with scores in the upper 60% range, than in the Northeast and North Central regions, where its rate of mention among managers was in the mid-50% range.

Stevens fared poorest in the Northeast at 16%, a Zayre stronghold, while scoring from 30% to 45% in the other three regions. St. Mary's fell flat in the South, Wal-Mart's bastion, to 15%, with other regional scores ranging from 27% to 35%.

The ratings for Springs ranged from a low of 3% in the West to a high of 18% in the South. Kenney's showed somewhat less variance, with a low of 6% in the North Central region and a high of 17% in the Northeast.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Cannon	88%	98%	68%	42%
J. P. Stevens	56	88	20	35
St. Mary's	13	6	48	33
Springs	15	40	9	3
Kenney's	12	5	43	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Cannon	62%	70%	46%
J. P. Stevens	33	39	21
St. Mary's	26	17	44
Springs	10	13	5
Kenney's	10	13	5
Pepperell/Lady Pepperell/West Point	7	6	10
Burlington	6	7	3
Fieldcrest	6	7	3
Santa Cruz	5	7	3
Newell	2	3	—

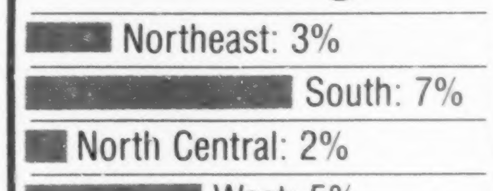
Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Cannon	55%	69%	57%	67%
J. P. Stevens	16	45	30	33
St. Mary's	35	15	32	27
Springs	12	18	7	3
Kenney's	17	10	6	11
Pepperell/Lady Pepperell/West Point	17	6	7	1
Burlington	3	6	8	5
Fieldcrest	2	8	6	5
Santa Cruz	—	8	4	8
Newell	2	3	3	—

Source: Discount Store News/Leo J. Shapiro & Assoc.

Growth Regions



In domestics, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South—7%.

Source: DSN/Leo J. Shapiro & Assoc.

Toothpaste Brands Head Top 10 List for H&BA Category

Nationwide DSN Report

The two best-selling toothpaste brands headed the list of the top 10 health and beauty aids brands in 1986.

Toothpaste sales leader Crest was the highest rated, cited by 32% of discount store managers as a top brand, followed by Colgate, with a 24% rating.

Many store managers did not cite a single brand, naming instead leading H&BA manufacturers. Highest in managers' esteem were consumer products powerhouse Procter & Gamble and well-known Johnson & Johnson. Both manufacturers got two mentions on the top 10 list.

Procter & Gamble placed fourth, but number one Crest is one of its many H&BA products. Johnson & Johnson, whose leading products include Band-Aids, baby oil, baby shampoo and talcum powder, placed third. In addition, McNeil Laboratories, seventh on the list, is a J&J subsidiary. McNeil's best-known brand is Tylenol, the leading nonaspirin painkiller.

Tylenol quickly regained its dominant market share, despite the loss of the capsules.

A third manufacturer, Lever Brothers, placed tenth on the list. Among the Lever brands is Close Up toothpaste.

Ironically, McNeil, which was not among the top 10 last year, may have made the list this year because of a tampering incident last spring in which a New York woman was killed by a cynanide-poisoned Tylenol capsule.

Such a tragedy would seem unlikely to place a product on any store managers' hit parade. Nonetheless, McNeil received high praise from consumers, retailers and regulators for its decisiveness and accountability.

To forestall future tampering, McNeil voluntarily ceased capsule production of Tylenol capsules, replacing them with caplets, a capsule-shaped coated tablet. To support this marketing shift, the company offered retailers generous terms and allowances, advertising support and point-of-purchase materials, as well as supplying substantial advertising support for the product. As a result, Tylenol quickly regained its dominant market share despite the loss of the capsules, which consumers often prefer.

While McNeil, J&J and Procter & Gamble all are obviously corporate names, other spots on the list may refer both to brands and companies. Revlon, for example, is a well-known cosmetic brand and also a company that produces deodorants and shampoos, among other products. Clairol is the largest-selling hair color, but it is also a company that produces shampoos and

(Continued on page 41)

Top Brands' Performance by Region

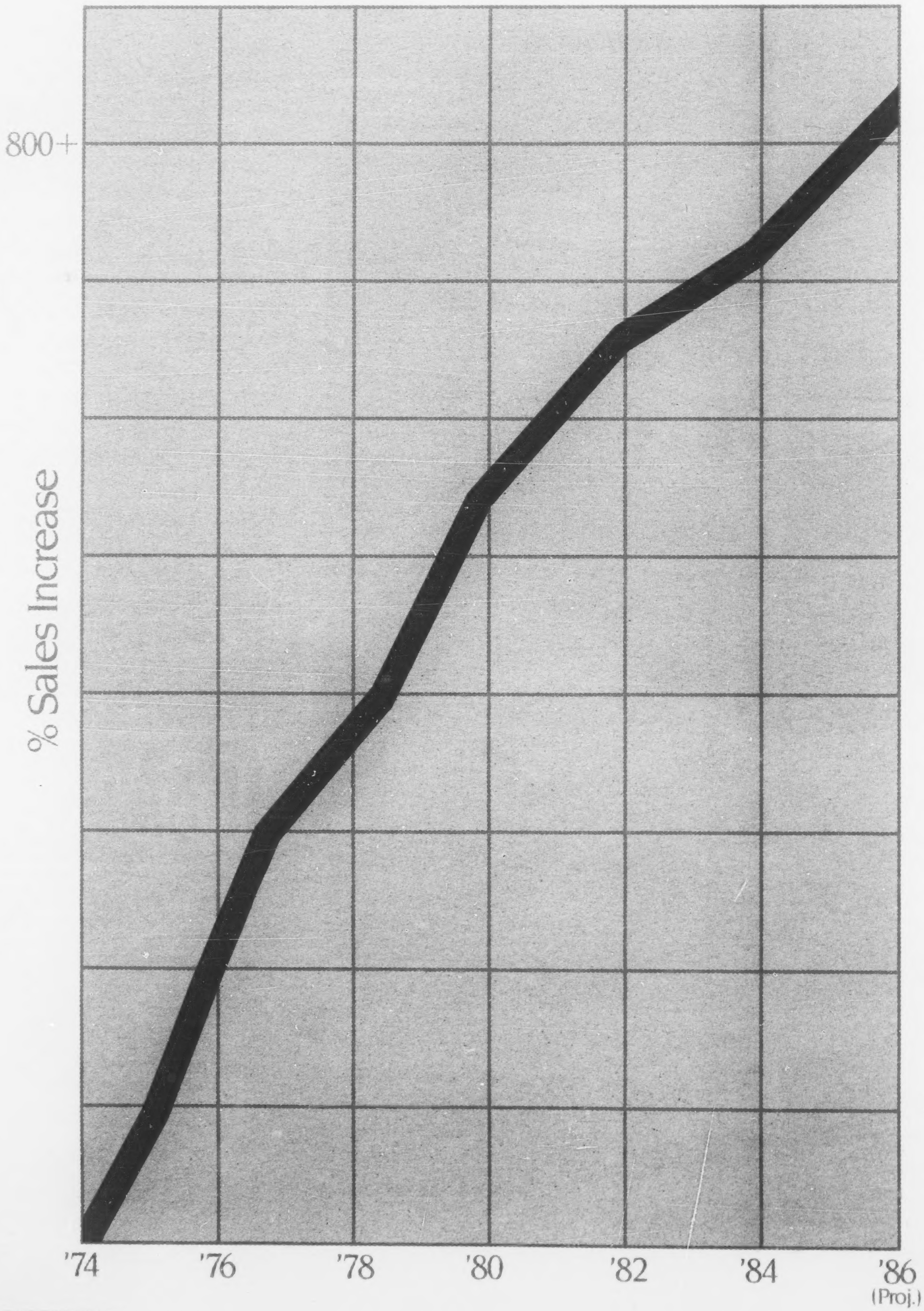
Brands	Northeast	South	North Central	West
Crest	21%	30%	36%	39%
Colgate	28	27	23	15
Johnson & Johnson	18	21	17	39
Procter & Gamble	10	18	18	19
Revlon	22	20	13	8
Clairol	19	15	11	13
McNeil Lab	12	8	10	18
Listerine	11	8	15	10
Suave	6	11	8	14
Lever Bros.	5	19	5	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Crest	32%	29%	39%
Colgate	24	24	23
Johnson & Johnson	23	24	22
Procter & Gamble	17	20	10
Revlon	16	13	20
Clairol	14	14	13
McNeil Lab	11	10	14
Listerine	11	8	16
Suave	10	13	3
Lever Bros.	8	11	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*



Beiersdorf Inc Norwalk, CT 06856-5529 © 1986

Crest, Colgate Head Managers' H&BA Top 10 Brands List

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Crest	28%	35%	33%	51%
Colgate	21	35	25	34
Johnson & Johnson	27	23	28	16
Procter & Gamble	24	28	15	21
Revlon	12	13	6	16

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

(Continued from page 40)

other hair care products and Sea Breeze skin lotions. Finally, Colgate is, of course, a leading toothpaste, as well as the common name of the huge Colgate-Palmolive Co.

Only three of the 10 names on the list refer to a specific brand—Crest, Listerine and Suave shampoo.

As a category, health and beauty aids is unique in that many manufacturers are as much a household name as are some of their brands. In addition to those on the list, other companies associated with H&BA generally are Gillette, Maybelline, Bristol Meyers, Mennen and Max Factor.

Leading H&BA manufacturers often spend nearly as much promoting their companies as they do advertising specific brands, among consumers as well as within the trade. Consequently, it should come as no surprise that discount store managers frequently cited the companies as important factors in their stores' H&BA departments.

Crest, selected as a top brand by 32% of the store managers surveyed, substantially improved its 1985 score of 23%. While the toothpaste topped all other names this year, its ranking in 1985 was fifth. Still, Crest was the highest-ranked specific brand last year.

Colgate, 1986's second most frequently cited name, improved its 1985 rating of 16% and rose from sixth place.

Johnson & Johnson, last year's top-rated name among discount store managers, finished third this year, slipping 10 points to a 23% score. Procter & Gamble also showed a decline, dropping from a second-place tie with Revlon to fourth and from a 25% rating to 17%. The major factor for P&G's lower rating was a softening in its support among upscale discounters. Last year, 24% of upscale-store managers chose P&G as a top name, but only 10% did so this year.

Clairol fell from the top five, exchanging its number-four ranking at 24% in 1985 for a sixth-place finish at 16%.

Among highlighted chains, top-rated Crest hovered near its overall 32% rating at the three conventional chains, K mart, Wal-Mart and Zayre. Of Target managers, 51% named Crest.

Colgate's scores also varied. It achieved relatively high scores of 35% and 34% at Wal-Mart and Target, but it came out worse at K mart and Zayre, with 21% and 25%.

The three highlighted conventional stores gave J&J fairly consistent ratings, but the company fell off to a rate of mention of only 16% at Target. Managers of other upscale discounters, however, pushed its average in that segment back up to 22%.

Just the opposite occurred with P&G. Target was the company's biggest booster among upscalers, giving it a 21% rating, while the average among upscalers was only 10%.

Revlon's scores were consistent among three highlighted chains but dropped to a 6% rating at Zayre.

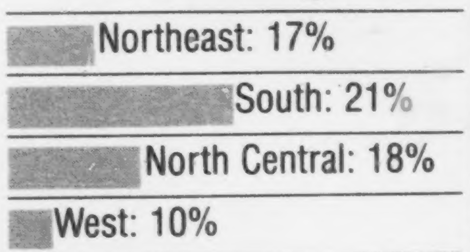
Regionally, Crest scored highest in the West with a strong 39% rating but was considerably weaker in the Northeast at 21%. Conversely, Colgate did the best in the Northeast at 28% and poorest in the West at 15%.

Scores for Johnson & Johnson and Procter & Gamble were consistent in three regions but differed significantly in the fourth. J&J scored in the 20% range in the Northeast, South and North Central regions but surged to 39% in the West. P&G was just below 20% in the South, North Central and West while dipping to 10% in the Northeast.

Revlon was a top name for 22% of discount store managers in the Northeast and for 20% of southern store managers. But its score in the West slipped to only 8%, although it was cited by 13% of managers in the North Central regions.

Other regional scores were relatively stable except for the tenth name on the list. In the Northeast and North Central regions, Lever Bros. achieved a modest 5% rating. But in the South, the rating zoomed up to 19% and then dropped to virtually zero in the West.

Growth Regions



In health and beauty aids, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South—21%.

Source: DSN/*Leo J. Shapiro & Assoc.*

Not bad for a company whose name most people can't even pronounce.

Here in the U.S., the Beiersdorf name doesn't exactly spring to mind with the same immediacy as some skin care companies.

But how many of those companies can show a truly formidable 836% sales increase over the last 12 years?

Obviously, we're very happy we can. Yet, we have to say, we're not ecstatic.

After all, world-wide, we're number one. And that's just where we intend to be here in America, in the not-too-distant future.

To that end, this year, we've been spending more and more on advertising and promotion.

One result is that Nivea® Lotion sales* are up 22% through August. Another is that sales* of Basis® Soap, in the first half of 1986, are up 64%.

Professionally promoted Eucerin® Lotion sales* are up 61% through June.

And we'll continue to increase spending to promote these products.

We've also got lots of new products.

One that's already gone national is the superior water-in-oil Nivea® Lotion, Extra Enriched Formula, which is ideal for women with really dry skin.

The Nivea® Sun care line has also been successfully launched.

There's a whole lot more, too, which we want you to be a part of.

To place an order, contact your Beiersdorf representative (that's "By-ers-dorf," by the way, if you're still unsure) or call 1-800-BDF-2340.

Even if our name may prove a small problem, you shouldn't find any trouble enjoying the profits.

NIVEA
NIVEA
NIVEA
BASIS
BASIS

Beiersdorf Inc.
The world's leading skin care company. And growing.

**All sales are exfactory vs. 1985.*

Major Brand Shifts Shake Up Personal Care Category in '86

This display in a Lancaster, Pa., Caldor indicates the importance of brand assortments. (DSN photo)

Nationwide DSN Report

The 1986 personal care appliance category experienced some major shifts in the way discounters ranked the leading brands.

Some of last year's less frequently cited brands worked their way toward the top of the discount store manager's list, while others dropped off the chart entirely.

The study results also indicated discount industry leaders, K mart and Wal-Mart in particular, radically changed the way they viewed top vendors in the personal care appliance product line, compared to last year.

There were only moderate shifts in top brands performance by region, according to *DSN's* Top Brands study.

The results were the tabulation of discount store manager responses nationwide when asked to cite their best-selling name brands in the personal care appliances department.

Conair was the personal care appliance most often mentioned by discount store managers as one of the best-selling name brands they stock, with Clairol and General Electric holding the second and third place spots, respectively.

Top performer Conair earned 56% of store manager mentions, while Clairol was named by 43% and General Electric was cited by 33% of those surveyed.

Last year, Conair and Clairol had also held the top two spots, but this year, they further strengthened their holds. Forty-two percent of all discounters had cited Conair and 35% had mentioned Clairol a year ago.

In 1985, General Electric had trailed behind Norelco, compared to last year when the manufacturer held third position with 33% of all discounter mentions.

Norelco slipped to the fifth spot at the 18% level for 1986, compared with 34% a year ago.

Black & Decker jumped up to the number six slot after bringing up the rear last year in tenth position.

The manufacturer had attracted only 7% of the mentions in 1985, and this year, it was cited by 15% of the store managers surveyed as a top sales performer.

Gillette, with 7% of mentions last year, didn't make this year's listing at all as it trailed behind chart newcomer Jerri Redding, which drew 7% of manager mentions.

Conair, which is known for hair dryers as shown in this Clover store's display, was the top brand selected in the personal care category, followed by Clairol and General Electric. (DSN photo)

Sunbeam switched places with Windmere in this year's ranking; last year, Sunbeam was number eight with 8%, and Windmere was number seven with 10%. This year, both manufacturers declined.

Remington dropped to the ninth position with a 7% rating. In 1985, the company held the number four position with 19% of mentions.

In terms of conventional and upscale discounters, each had a pronounced favorite when it came to the two leading brands.

Conair was favored by conventional discounters, with 65% citing the brand as a top performer in their personal care departments.

Clairol, on the other hand, was considered a leading brand at upscale discount department stores with 62% of managers mentioning the brand.

Last year, the rift between conventional and upscale discounters in terms of Conair and Clairol was narrower. Forty-four percent of the conventional discounters cited Conair, compared to 34% of the upscalers in 1985.

Clairol was noted by 32% of conventional discount store managers and 47% of the upscalers surveyed last year.

General Electric appliances were important to both the upscale and conventional markets this year, with roughly a third of all store managers naming the brand as among the merchandise leaders in their personal care departments.

In terms of specific chain mentions, K mart cited Conair 88% in 1986 compared to 72% last year.

Wal-Mart had an even more dramatic shift toward Conair, up to 84% of mentions in contrast to 48% just last year.

While fewer K mart store managers mentioned Clairol as a top brand—34% this year compared to 40% a year ago—Wal-Mart jumped more significantly from 17% in 1985 all the way up to 47% this year.

Norelco, with fewer overall mentions, dropped to the 19% level at both Target and Zayre from the respective 63% and 32% levels the brand attracted last year.

While Vidal Sassoon has managed to make an impression on store managers at Wal-Mart, Zayre and Target, K mart only cited the manufacturer as a top brand 2% of the time.

By region, Conair was at or near the 60% level in all areas except the North Central where it was 43%.

This reflects a significant change over last year's ratings when Conair generally scored around the 40% level in the Northeast and South, the 47% level in the Central U.S. and 43% in the West.

Clairol's performance was strongest in the West this year, with 53% of mentions from that region, almost reaching Conair's popularity in the North Central area.

Last year, Clairol was stronger in the Central region than any other area of the country with 39% of store managers citing the brand.

General Electric's performance was strongest in the North Central region where it reached the 37% level. It hovered near the 30% level in the other parts of the country.

Sunbeam was cited by 14% of western discount store managers but only 2% by managers in the Northeast.

Much of Black & Decker's increased popularity was in the West where it received 21% of the mentions compared to last year when it was cited by less than 1% of the survey population.

Jerri Redding, which only had 10% of mentions in the rest of the country combined, managed to attract 18% of the mentions in the West.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Conair	88%	84%	73%	24%
Clairol	34	47	14	49
General Electric	35	41	37	38
Vidal Sassoon	2	31	20	25
Norelco	14	38	19	19

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Conair	56%	65%	37%
Clairol	43	33	62
General Electric	33	35	30
Vidal Sassoon	19	18	21
Norelco	18	20	15
Black & Decker	15	17	11
Sunbeam	8	9	7
Windmere	7	10	3
Remington	7	7	8
Jerri Redding	7	10	—

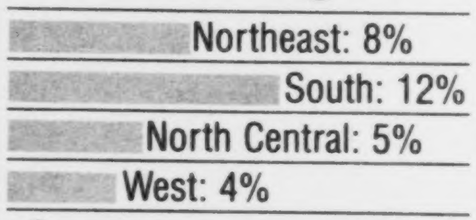
Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Conair	60%	63%	43%	61%
Clairol	36	43	40	53
General Electric	32	31	37	31
Vidal Sassoon	17	23	18	17
Norelco	15	18	20	19
Black & Decker	15	15	11	21
Sunbeam	2	8	9	14
Windmere	—	11	7	9
Remington	9	7	7	6
Jerri Redding	1	4	5	18

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Growth Regions



In personal care, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South—12%.

Source: DSN/*Leo J. Shapiro & Assoc.*

Top Five Vendors Continue to Dominate Cosmetics Category

Lady Clairol
FREE HOLD STYLING MOUSSE by L'OREAL

Reflecting renewed interest in hair colorings and nail care, Clairol and Sally Hansen made the Top 10 list. (Caldor, Secaucus, N.J.)

Nationwide DSN Report

The cosmetics department continued to be dominated by the same top five vendors as most of these industry leaders strengthened their position in the discount market.

Once again, Maybelline, best known for its eye care products, received the highest marks across the board from discount department store managers in this year's exclusive Top Brands study.

The survey asked the managers to cite the best-selling name brands in their cosmetics departments.

Both Cover Girl and L'Oreal gained or maintained high recognition with store managers compared to last year's performance.

Revlon and Max Factor, on the other hand, lost a few percentage points but not enough to alter their third- and fifth-place standing on the top 10 brands list.

While Maybelline merchandise is preferred by conventional discounters over upscalers, it continued to be the single most widely recognized brand by discount store managers.

The Maybelline brand was cited by 81% of all the discount store managers surveyed as a primary sales generater in the cosmetics department. Eighty-four percent of conventional discounters and 73% of upscalers mentioned the vendor in the survey.

Cover Girl, the fourth most frequently cited cosmetic brand, had 45% of the mentions this year, the same level as a year ago. Nevertheless, compared to last year, the brand showed greater importance to conventional and upscale discounters alike.

The 54% of store managers who cited Cover Girl as a top performer this year compares with 43% last year. Among upscalers, the brand earned 48% of mentions as compared with 28% a year ago.

L'Oreal, known for its hair coloring formulas, rose five percentage points above last year's rating to 17% of all discounters questioned. The brand doubled the number of upscalers responding favorably from 11% to 22% and rose from 3% to 14% of all conventional discount store managers.

Revlon, traditionally much more an upscale line of cosmetics, dropped five percentage points from conventional discounters this year as compared to 1985's results and lost 10 percentage points from upscale discount operations.

Max Factor slipped four percentage points to 25% of mentions this year, with most of the mentions lost from the conventional discounter. The brand had received 28% of conventional and 35% of upscaler mentions in 1985, compared to 20% and 33% this year, respectively.

Dropped from this year's ranking was Cutex and L'Erin, which were replaced by the sudden appearance of Clairol, which grabbed sixth place, and Sally Hansen, a nail care manufacturer which did not make last year's listing but captured the tenth place slot in 1986.

In terms of specific chains and vendor recognition, Wal-Mart represented the greatest number of store manager mentions for Maybelline, Revlon and Cover Girl, the top three performers.

Nearly all of the Wal-Mart store managers surveyed, 98%, cited Maybelline as a primary contributor to sales in their cosmetics departments.

The vendor had the lowest number of mentions at Target where Revlon had a substantial, although secondary, ranking with 76% of mentions.

Among the more notable changes from last year to this year were the increase of Cover Girl mentions at K mart from 36% to 63% and the sharp decline of Max Factor mentions at both Zayre and Target.

Max Factor was cited by 52% at Zayre last year, compared to 6% in 1986. The brand had been cited by 21% of Target store managers in 1985 and 12% in this year's survey.

Zayre had registered 39% of Cover Girl mentions a year ago, compared to only 6% this year.

At Target, 21% had cited the manufacturer as a cosmetics line which provides a substantial portion of category sales, compared to 12% of mentions in the current survey.

Regionally, Maybelline was strongest in the South and West with 88% of mentions. It had good ranking in the Northeast and North Central regions at 71% and 75%, respectively.

The brand's increasing popularity has had its effect on all parts of the country. This year's figures reflect an 8% change since 1985 in both the West and Northeast and 6% and 4% in the South and North Central, respectively.

Revlon, however, lost its footing in the North Central, West and South, declining from 64% to 53% in the North Central; 61% to 52% in the West; and 48% to 47% in the South.

Store managers in the Northeast cited Revlon 51% of the time, compared to 46% a year ago.

While Coty lost the 2% of mentions it had had in the Northeast last year, it gained 14% more mentions in the West and 4% in the North Central this year. The numbers for the southern part of the country were unchanged.

At cosmetics departments, such as this one at Fisher's Big Wheel, Delaware, Ohio, Maybelline, Revlon and Cover Girl continue to dominate in the 1986 top brands survey. (DSN *photo*)

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Maybelline	95%	98%	90%	85%
Revlon	37	47	61	76
Cover Girl	63	87	42	39
Max Factor	22	29	6	12
L'Oreal	23	12	3	20

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Maybelline	81%	84%	73%
Revlon	51	41	70
Cover Girl	45	54	28
Max Factor	25	20	33
L'Oreal	17	14	22
Clairol	9	12	4
Coty	7	4	13
Aziza	7	5	10
Noxell	4	7	—
Sally Hansen	2	3	1

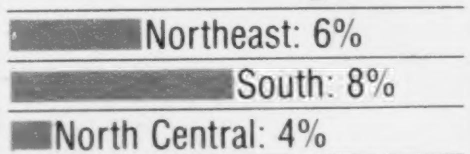
Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Maybelline	71%	88%	75%	88%
Revlon	51	48	53	52
Cover Girl	29	57	44	43
Max Factor	16	23	18	46
L'Oreal	10	15	10	36
Clairol	11	7	9	12
Coty	—	3	6	21
Aziza	10	8	8	—
Noxell	3	4	4	8
Sally Hansen	—	2	2	4

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Growth Regions



In cosmetics, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South and West, both 8%.

Source: DSN/*Leo J. Shapiro & Assoc.*

Housewares Leads All Departments in National Brand Growth

Nationwide DSN Report

Long-established discount store houseware brands are maintaining their hold in the category, but the number of national brands continues to grow significantly, the latest *DSN* Top Brands survey shows.

Rubbermaid and other traditional staples in discount store housewares departments again were named by a wide margin the top brands in a poll of store managers. Rubbermaid especially outdistanced other brands, being chosen by more than half the respondents as a key name.

While familiar names still head the list of top brands, the same store managers also most frequently cited housewares as the department in which the number of national brands increased during 1986. One-fifth, or 20%, of the managers polled singled out housewares from among 17 merchandise categories as an area in which their stores' brand assortments grew.

In 1985, housewares also led other departments for brand growth, in the opinion of 22% of managers. But more conventional discounters last year cited housewares brand growth than did managers of upscale stores by a 23% to 18% margin. This year, that pattern was reversed as housewares was chosen by 23% of upscalers and 19% of conventional store managers.

The housewares department at Gold Circle's prototype in Cincinnati is an example of the trend to expand assortments. (DSN *photo*)

This continued trend reflects a dual need of discounters—to improve margins in the department and to stay current with constantly changing consumer desires.

Housewares always have been a leading category for discount store promotions. These widespread promotions have meant small gross profits on many of the top-line brands, especially among electric housewares. As a consequence, discounters are receptive to alternative names offering similar products with better margin opportunities at competitive prices.

Additionally, while staples such as the bulk of the Rubbermaid line, can be counted to churn out good sales results year after year, discounters have learned that they must present a good fashion image as well. Fashion is volatile, however, and many hot products are relatively short-lived.

The year-to-year importance of basic housewares is reflected in the list of the 10 top brands in the minds of store managers. Eight of the 10 names—and all of the top five—are of staple lines. In addition to top-performer Rubbermaid, the list is dominated by dinnerware, cookware and glassware rounded out with Ekco utensils and O-Cedar handle goods.

Two names of electric housewares appear on the list, but both come from the same supplier.

The General Electric name is still important to discounters but is disappearing as an increasing number of the small appliances are switched to the Black & Decker label. Black & Decker purchased General Electric's small appliance business and was given three years to completely phase out the GE brand.

Rubbermaid was an even bigger winner this year than in 1985. Its current 53% rating overall is a marked improvement over 1985's 39%, which also topped the housewares list. The higher performance was virtually across-the-board.

Conventional discounters, Rubbermaid's traditional

(Continued on page 49)

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Rubbermaid	53%	56%	49%
Corning	21	24	16
Corelle	18	18	18
SilverStone	14	19	6
Anchor Hocking	12	13	8
Ekco	11	12	11
Pyrex	8	7	10
General Electric	8	9	7
Black & Decker	8	8	7
O-Cedar	7	7	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Rubbermaid	56%	57%	49%	52%
Corning	24	23	16	24
Corelle	12	12	17	32
SilverStone	12	20	14	8
Anchor Hocking	8	13	11	12
Ekco	11	14	11	9
Pyrex	7	8	10	8
General Electric	9	9	9	4
Black & Decker	9	6	7	10
O-Cedar	4	7	11	5

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

One of the best-known, best-selling brands in housewares.

SWING-A-WAY

go with the leader.

SWING-A-WAY MANUFACTURING CO. • ST. LOUIS, MISSOURI 63116

Housewares Leads Other Depts. in Growth of Branded Goods

(Continued from page 46)

stronghold, gave it a 56% rating, a gain from 41% last year. Its top brand score rose by an even larger margin, however, at upscale stores to 49% from 31% last year.

Among highlighted chains, managers at upscale Target stores rated Rubbermaid below the average, with 41% saying it was a top brand. Still, a year ago, its Target score was half that, or 20%.

The brand also improved its performance at two conventional chains, with its K mart score rising 20 points to 43% and boosting a 70% at Wal-Mart in 1985 to 76%. At Zayre, Rubbermaid slipped 10 points to a still-above-average 60%.

The Corning brand maintained its 21% rating from 1985, which again placed it second. Its corporate sister, dinnerware staple Corelle, rose from a fourth-place tie at 14% last year to a strong third place at 18%.

Corelle and SilverStone gain

Corelle's biggest improvement came at upscale stores, where it gained five points to be cited by 18% of managers as a top brand.

Another big winner was SilverStone cookware, which failed to place among the top 10 last year but took the fourth spot with 14% in 1986. SilverStone scored far better among conventional discounters, with 19%, than among upscalers, where its rating dropped more than two-thirds to 6%.

Significantly, discounting's two largest chains—especially number two Wal-Mart—appear to have skewed the overall SilverStone rating. Wal-Mart's managers gave the cookware a 64% rating—as an individual housewares rating, second only to that chain's Rubbermaid score. The 19% score from industry-leader K mart was more modest but still far higher than the 3% Zayre score and Target's 7% rating.

Completing the top five, Anchor Hocking edged out Ekco by a single point with its 14% score. Last year, the glassware line placed number three, with an overall score of 17%.

The downward drift came chiefly because of significantly less support among managers at upscale chains. This year, Anchor Hocking received only an 8% rating from those managers, down from last year's 21%. At Target, the upscale chain highlighted, the drop was from a 29% rating to 17%.

Anchor Hocking also did worse among conventional discounters on average, but its fall was cushioned by improved performances at K mart and Wal-Mart. Its average score among conventional store managers dropped four points to 13%. At K mart, the brand's rating rose from 8% to 17% and at Wal-Mart from 15% to 18%.

Regionally, the housewares brands turned in relatively uniform performances.

The biggest variation came in the performance of the Corelle line. Its high score of 32% in the West was almost double its next-best regional performance. Last year, the West gave Corelle its lowest regional rating, 7%. Corelle was weakest this year in the Northeast and South, where it scored 12%.

SilverStone also showed a relatively high degree of variation by region. Its poorest showing was in the West at 8%, but in the South, aided by its high degree of support at Wal-Mart, it rose to 20%.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Rubbermaid	43%	76%	60%	41%
Corning	31	34	9	7
Corelle	19	28	22	7
SilverStone	19	64	3	7
Anchor Hocking	17	18	11	17

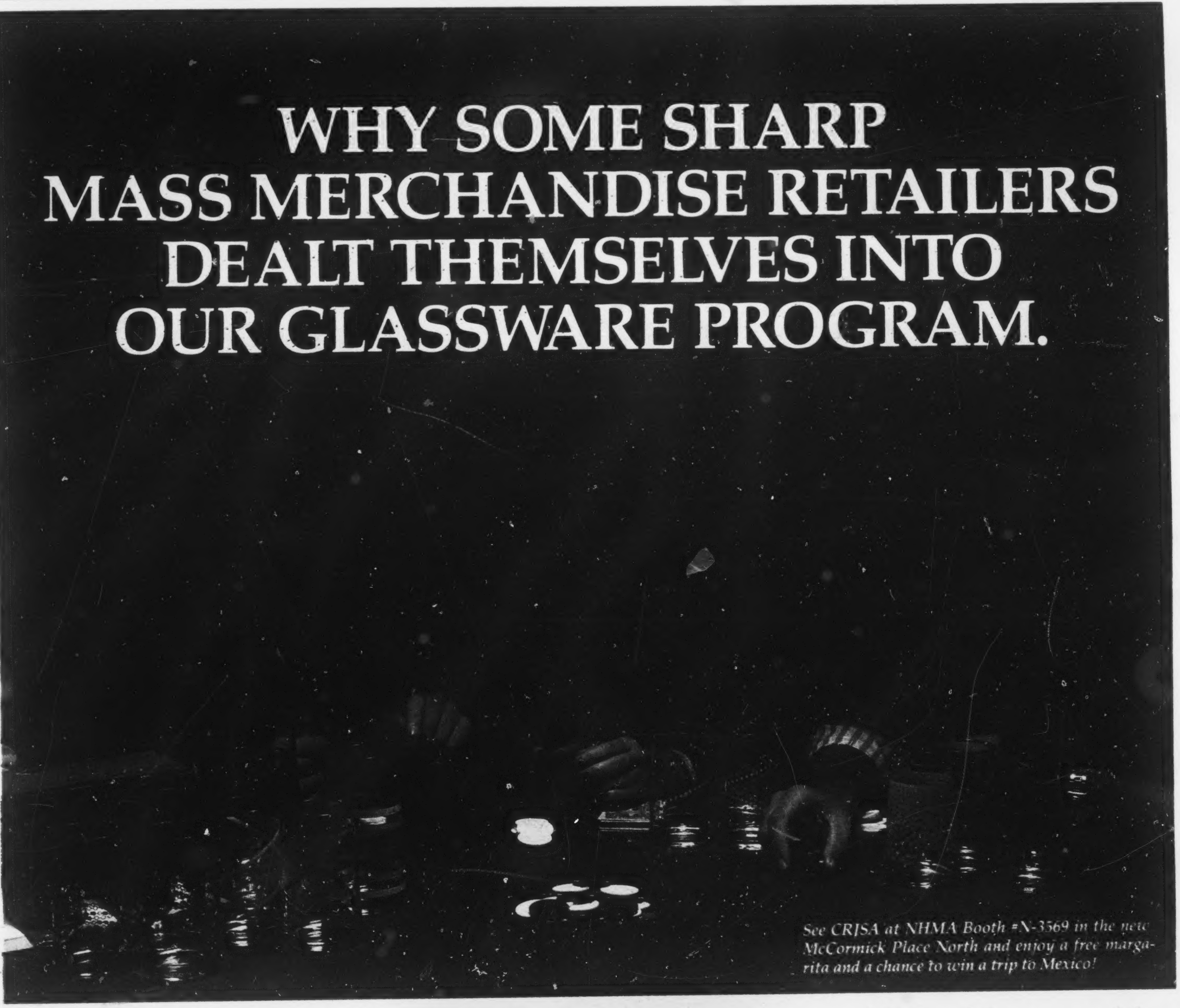
Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Growth Regions

Northeast: 23%
South: 13%
North Central: 22%
West: 25%

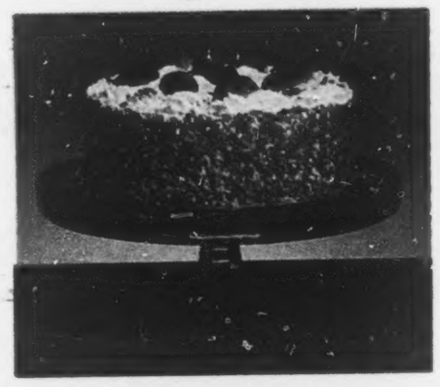
In housewares, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the West—25%.

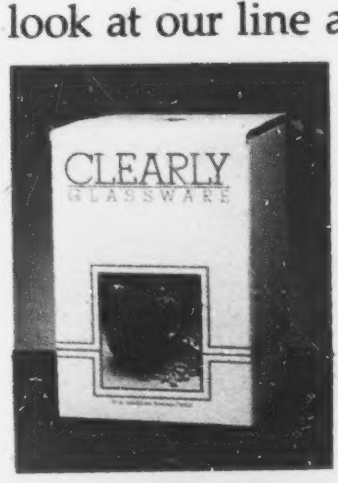
Source: DSN/*Leo J. Shapiro & Assoc.*



WHY SOME SHARP MASS MERCHANDISE RETAILERS DEALT THEMSELVES INTO OUR GLASSWARE PROGRAM.

See CRISA at NHMA Booth #N-3569 in the new McCormick Place North and enjoy a free margarita and a chance to win a trip to Mexico!





Exciting products, innovative packaging, consistently good service and a firm commitment to your profitability—these are a few reasons why America's mass merchandisers are intrigued by the hottest glassware program in years. *"Clearly" offers the right products at the right price.* "Clearly" covers every key glassware category, from barware to serveware, dinnerware to florals. And our entire line is known for high quality and competitive pricing. *"Clearly" keeps you a step ahead of the competition.* In hot items such as decorated tumblers or beverage sets, "Clearly" is a leader—and major retailers have the sales records to prove it. *"Clearly" is more than just products.* Our line is backed up with solid sales support including dynamic packaging and strong promotional pricing. And our entire program is supported by the capabilities of Crisa, one of the world's glassware giants. *Put "Clearly" to the test.* Take a look at our line and find out for yourself why Crisa should be your #1 glassware resource. *Ask your Crisa rep about our promotional items & pricing.*

CRISA CLEARLY
GLASSWARE

CRISA CORPORATION
Profitable ideas in glassware.
101 East Park Boulevard, Plano, TX 75074
In Dallas 800-643-9093, in NY 800-253-1011
in LA 800-533-7621

Procter & Gamble Rides on Tide of Discounter Good Will

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Tide	26%	43%	27%	64%
Windex	29	47	21	15
Procter & Gamble	16	45	22	21
Lysol	26	16	14	13
Clorox	8	44	23	24

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

Procter & Gamble failed to run away with the competition in the household chemicals category this year, but, nonetheless, did well.

Last year, discount store managers placed five P&G brands on the list of the 10 most highly regarded names. In addition, they placed the company at the top of the list, even though it is not a brand.

In a national *DSN* survey, discount store managers were asked to name their most important brands in the household chemicals category. This year, one out of three chose Tide, a detergent made by Procter & Gamble. Tide also was the highest rated product last year with a 29% score but placed second overall because 32% of the managers also named the company.

Tide was more frequently selected by managers of upscale discount stores both years, but the margin decreased in 1986. This year the upscale rate of mention was 39%, while conventional store managers gave the detergent a 30% rating. Last year the figures were 53% at upscalers and 20% at conventionals.

The product that placed right behind Tide both years was Windex. This year, however, Windex placed second overall on the top 10 list against third last year.

Windex bettered its overall rating with discounters by 10 points to 23%. Last year, it was favored by more upscalers than conventional-store managers by a margin of 22% to 10%. That trend was reversed in 1986 with the conventional store rating rising almost threefold to 28%, while the the upscaler score sagged to 13%.

Procter & Gamble, last year's champion at 32%, placed in a tie with the Lysol brand for third ranking in 1986 with an 18% score. As last year, P&G was favored by conventionals, although the margin is smaller. The company scored with 21% of managers of conventional stores, down from 37%. Its rating among upscale managers dropped six points to 13%.

The seven remaining products on the top 10 list were also-rans last year, scoring 1% or less. All seven displaced other names that in 1985 had scores ranging from 1% to 9%.

The big winners were Lysol and Dow Chemical. Lysol caught up to P&G in frequency of mention, while both Dow and its Fantastic brand cracked the top 10.

Fantastic finished almost tied with Clorox, just behind Lysol and P&G, with a 17% rating. Clorox was favored by managers of conventional stores, being rated a top brand by slightly more than one of five managers, while its upscale store rate of mention was one in 10. Fantastic was favored by upscalers, scoring 23% with them against 14% at conventionals.

Dow was close behind these two brands with an overall rate of mention of 15%. The company held a slight edge with conventionals at 16%, versus an 11% rating with upscalers.

The final three names on the list were tightly bunched.

Pinesol held a small lead, with an overall rating of 9% across the board.

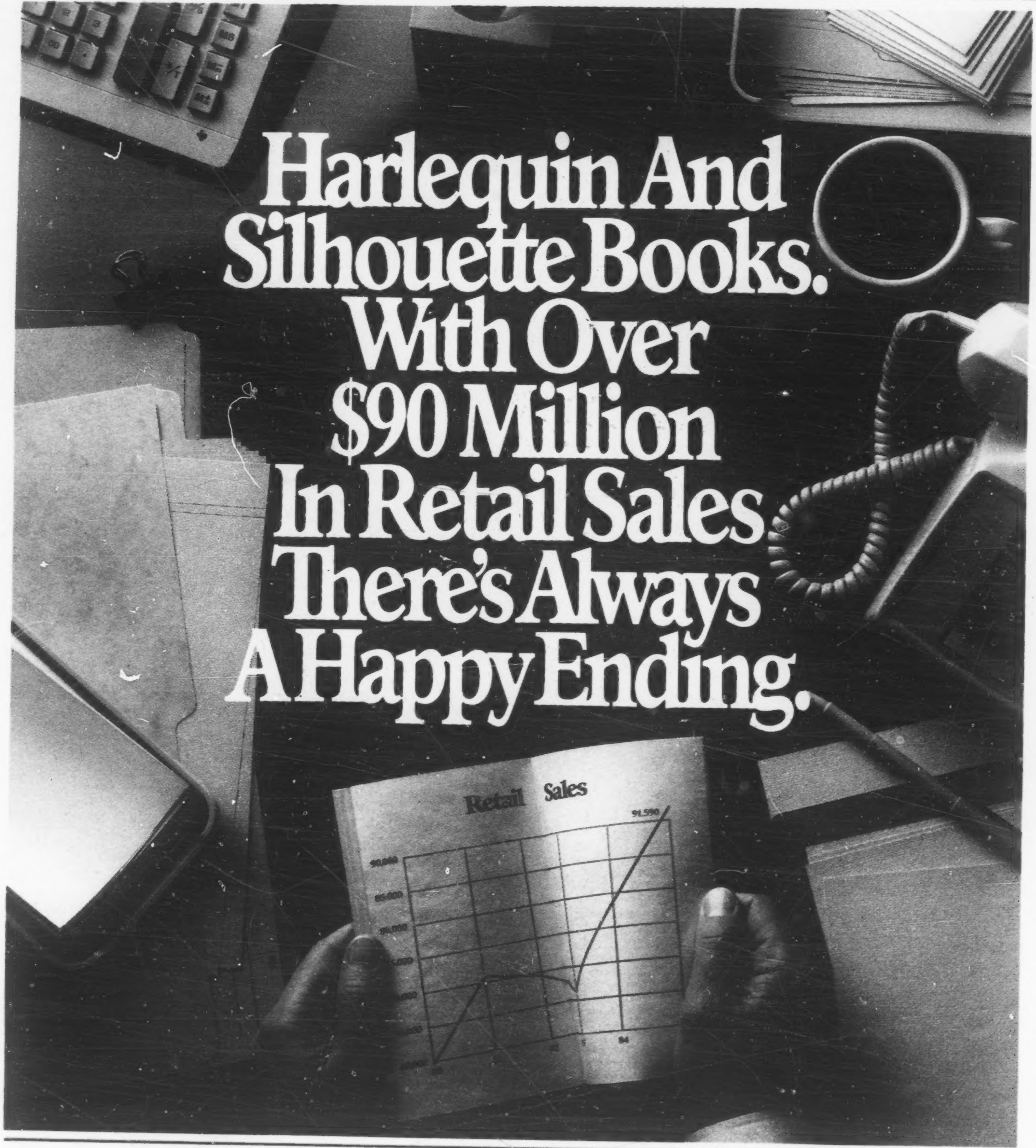
Formula 409 was close behind with 8%, reached by virtue of a 7% score at conventionals and 9% at upscalers.

No. 10 on the list was Texize at 7%. It did better with conventional discounters than with upscalers. Conventional store managers gave it a 10% rating, while 2% of managers at upscale stores considered it important.

In general, scores were higher this year, except for the two top places on the list. For example, Texize finished tenth at 7% in 1986, but the same score would have placed it sixth last year. Four brands made the top 10 list with ratings no higher than 5% in 1985.

In an examination of results from four leading discounters,

(Continued on page 53)


Harlequin And Silhouette Books. With Over $90 Million In Retail Sales There's Always A Happy Ending.
Retail Sales

Harlequin and Silhouette books generated over $90 million in retail sales last year. That represents over $27 million* in gross profit at retail and makes for a very happy year end.

When you consider what you don't have to do to get your share of the profits–no warehousing, no pricing, no worrying–it's an even more impressive profit story. And with guaranteed sales there's no risk, all reward.

With Harlequin and Silhouette books there is always a happy year ending.

Harlequin And Silhouette Books. The Profits Of Romance.

Sales Contacts: In Canada, Harlequin North America, Call Collect: 416-445-5860. Ask for the Sales Department.
In the U.S., Simon & Schuster Trade Publishing Group, Outside N.Y. State Call Toll Free: 1-800-223-4022. Within N.Y. State Call Collect: 212-245-6400. Ask for Ext. 1381/Stuart Miller.
*Based on 30% Discount.

P&G Rides Tide Of High Regard Among Chains

(Continued from page 51)

Tide scored high marks at Target and Wal-Mart at 64% and 43%, respectively. But the Target score was down from 75% in 1985, while the Wal-Mart rating climbed 13 points.

Even the scores at K mart and Zayre increased, although still lagging behind the average. At Zayre, Tide jumped from 6% to 27%. The K mart score rose from 9% to 26%.

Wal-Mart gave Windex a big boost as a leading brand. In 1985, the brand registered 2% at the chain but rocketed all the way to 47% this year. Windex also scored solid gains at K mart and Zayre. The K mart rating climbed from 17% to 29%, and Zayre's managers added 11 points to give the window cleaner a 21% score this year.

In contrast, Windex's rating at Target slipped six points to 15%.

The Procter & Gamble company scores dropped at the three conventional chains but rose six points at Target to 21%. P&G lost 20 points, for a current K mart rating of 16%, and dropped 25 points at Wal-Mart to 45% but dipped four points at Zayre to 22%.

Lysol scored well at K mart, with a 26% rating, while its numbers at the other three chains were in the mid-teens.

Clorox did poorly at K mart, with just 8% but scored well at Wal-Mart with a 44% rating as a top brand. At both Zayre and Target, the brand's rate of mention was slightly less than one in four.

Regionally, Tide was a favorite with discounters in the North Central section. Its weakest area was the Northeast, where its rating dropped to just over one in five.

Windex did best in the Northeast and South, with identical 29% scores. It, too, lost half its strength in its weakest region, rating with 14% of Western store managers.

Procter & Gamble exceeded 20% in both the South and North central regions but dropped to 12% in the Northeast and 8% in the West.

Lysol's scores ranged from a high of 29% in the West to a low of 13% in the South.

Clorox bleach hit a high of 29% in the South. Yet its scores in two regions, the North Central and especially the West, were lower than the national average, 13% and 8%, respectively.

Growth Regions

Northeast: 1%
South: 7%
North Central: 7%
West: 1%

In household chemicals, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South and North Central, both 7%.

Source: DSN/Leo J. Shapiro & Assoc.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Tide	33%	30%	39%
Windex	23	28	15
Procter & Gamble	18	21	13
Lysol	18	19	16
Clorox	17	21	10
Fantastic	17	14	23
Dow	15	16	11
Pinesol	9	9	9
Formula 409	8	7	9
Texize	7	10	2

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Tide	21%	35%	42%	29%
Windex	29	29	22	14
Procter & Gamble	12	22	25	8
Lysol	21	13	15	29
Clorox	17	29	13	8
Fantastic	30	18	8	18
Dow	17	16	12	15
Pine Sol	2	13	7	11
Formula 409	6	7	6	12
Texize	10	8	7	3

Source: Discount Store News/Leo J. Shapiro & Assoc.

PROVEN CIGARETTE MERCHANDISING

Salem Spirit
CHAIN LOGO
CIGARETTE CENTER
PACKAGE MERCHANDISER
CARTON MERCHANDISER
PLANNING CONSULTING
POINT-OF-SALE MATERIALS
Salem Spirit
THANK YOU FOR SHOPPING HERE
CIGARETTE SAVINGS CENTER
CARTON MERCHANDISING STUDY
PACKAGE MERCHANDISING STUDY
CAMEL

CIGARETTE SAVINGS CENTER
- Doral
- Generics

RESEARCH INFORMATION
- Industry Trends
- Share of Market
- Demographics

PROFIT INFORMATION DPP STUDIES
- Sales/Gross Margin
- R.O.I.I.
- Direct Product Profit

PROMOTION ALLOWANCES

INDIVIDUALIZED MERCHANDISING SERVICE

Leadership, expertise, innovation… with programs tailored to your needs, to help you sell more cigarettes and improve your profitability.

Call your R. J. Reynolds representative today. Let us show you the Reynolds difference.

RJR TOBACCO

R.J. Reynolds. Dedicated to leadership through innovation.

1986 R.J. REYNOLDS TOBACCO CO.

FOOD MERCHANDISING
FOR DISCOUNT RETAILERS

A Lebhar-Friedman Publication
OCTOBER 1986

Direct store deliveries unlock snack foods profit potential

Slice
Coca-Cola Classic
Caffeine Free Coke
diet Coke
cherry Coke
Dr Pepper
Sprite
7Up

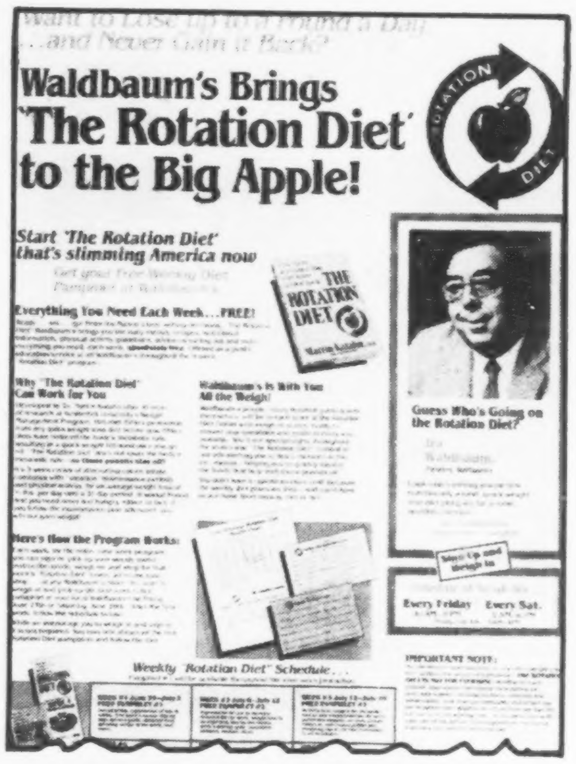
Pet foods attract repeat shoppers

Waldbaum's commits to diet ad promotion

The Rotation Diet may not be for everyone, but the promotion idea could work.

Ira Waldbaum, though, is committed to both.

The president of the Long Island-based supermarket chain that bears his name invited his customers to join him in a weight loss program on the full page opener of the chain's weekly tab.


Want to Lose Up to a Pound a Day
...and Never Gain it Back?
Waldbaum's Brings 'The Rotation Diet' to the Big Apple!
ROTATION DIET
Start 'The Rotation Diet' that's slimming America now
Everything You Need Each Week...FREE!
THE ROTATION DIET
Why 'The Rotation Diet' Can Work for You
Waldbaum's Is With You All the Weigh!
Guess Who's Going on the Rotation Diet?
Here's How the Program Works:
Sign Up and Weigh In
Every Friday
Every Sat.
Weekly 'Rotation Diet' Schedule...
IMPORTANT NOTE:

What proves slimming for him and his customers, he's hoping, will fatten traffic for the chain.

As a show of good faith, he's also promising to print his hopefully dropping weight in future circulars.

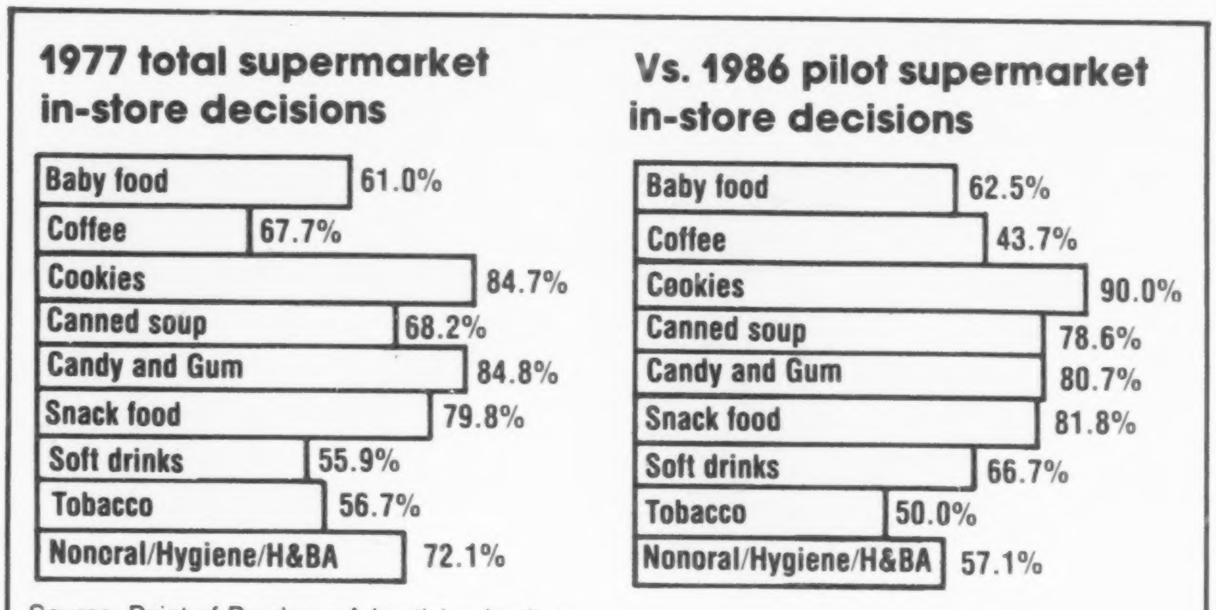
Waldbaum shopper/dieters can sign-up, weigh-in, pick up weekly menu/instruction guides and shop for that week's diet menu at the supermarket.

Special signs will be posted throughout the store to direct shoppers. Waldbaum will also print the Rotation Diet symbol in ads to alert dieters to items included in the weekly menu.

POPAI study reveals shopping habits

Shopping habits have changed, making eye-catching displays and an in-store presence sucessful marketing tools for discounters, a new study by the Point-of-Purchase Advertising Institute (POPAI) has revealed.

The study, the Consumer Buying Habits Pilot Study, reported that a scant 19.3% of all consumers stick to their shopping list, down nearly 50% from a similar study made in 1977. Impulse purchases accounted for an astounding 60.4%, and substitute purchases increased from 3% in 1977 to 5% today.



Source: Point-of-Purchase Advertising Institute

According to the survey, 80.7% of all purchases are a direct result of consumers picking and choosing while in the store; the 1977 study found that 64.8% of all purchases were in-store decisions.

For example, a whopping 90% of all cookie purchases were the result of in-store choice, and 80% of candy and gum buys were also spontaneous buying decisions.

Soft drink and coffee buyers were found to be almost as indecisive about brand choices, with coffee garnering a 67.7% in-store decision rate and soft drinks a 66.7% rate.

Those who shop for coffee also exhibited the most significant jump of in-store buying habits: In 1977 only 43.7% of all coffee purchases were decided within the store.

Canned soups jumped 10% from the previous study, to 78.6%, and baby foods were slightly higher, with a current in-store decision rate of 62.5%, up from 61% in 1977.

Nonoral hygiene/H&BA products dipped from 72.1% to 57.1%, and tobacco sales also showed a slight decrease, dropping from 56.7% in 1977 to 50% this year.

The pilot study was conducted in three regionally dispersed markets to test the feasibility of the full-scale project.

"Although the pilot study findings are based on a much smaller base than the full-scale project, they are a good indication the in-store presence is increasingly important to sucessful marketing," said John M. Kawula, POPAI president-elect.

"Product managers will need to take a long hard look at the quality and quantity of their merchandising to influence the shopper who is obviously not pre-sold on their brands," he added.

Frost & Sullivan detail European cleaning supply sales

Household cleaning supply sales in four European countries, France, Italy, Germany and the United Kingdom, will increase 11% by 1991, from $4.6 billion in 1985, according to a recent Frost & Sullivan report.

Hypermarkets, discounters and supermarkets own the cleaning chemicals market in three of the countries: France, Germany and the United Kingdom, accounting for 90% of the washing products sold in those countries.

Supplier analysis shows that Henkel leads overall in Germany, ahead of Procter & Gamble and Lever Bros. In the United Kingdom, Lever hold the edge over P & G, and this is reversed in portions of the French market.

Beverages: Turns, yes. Profits . . . ?

While it's no secret that the the beverage department can lure in traffic, the problem for discounters is how to make this high-turn category profitable.

We Save
And M
Jamesway
1.3

Razor thin margins are forcing discounters to rethink beverage department locations. Jamesway recently moved sodas deeper into the store.

A major discounter the size of Target or Bradlees can move close to one million cases of soft drinks per ad. On the average, discounters reported startling turns as high as 45 times a year in the soft drink category.

But the nagging question is: Can they make any money?

Especially sharp competition for the $30.4 billion pop market has made it almost impossible for discounters to produce gross margins over 15% in the category. Some chains such as Caldor or Hills in Canton, Mass., eschew the category altogether.

"We don't carry soft drinks because we just have not found a way to make any money on it," lamented Hills' Ed Zimmerlan.

But the sheer traffic the beverage department can lure makes it worth the effort for chains such as K mart, Target, Pamida and Ames. "We do sell soft drinks, often in cut cases," reported Ralph Shulansky, senior vice president and chief financial officer for Ames. "But it is bought locally and serviced by the distributor

The U.S. market for juices and drinks

Year	Manufacturers' Sales	Annual % Change
1972	$ 1,810.9	—
1977	3,185.3	12.0%[1]
1978	3,666.2	15.1
1979	4,363.1	19.0
1980	4,652.7	6.6
1981	5,158.3	10.8
1982	5,510.1	6.8
1983	6,035.1	9.5
1984	6,561.2	8.7
1985[E]	7,478.9	13.9
1994[P]	16,705.2	9.8*

[1]—Compound Annual Growth Rate
[E]—estimate by BTA
[P]—projection by BTA
*—Compound Annual Growth Rate 1984-1994

Source: U.S. Department of Commerce; Business Trend Analysts to keep up with the category."

Ames stocks a full gondola run located just off the left of the store entrance, near health and beauty aids. Soda is promoted around key seasonal events. An early summer ad, for example, touted a six-pack of Pepsi for $1.69. "We find it does draw traffic and we can make a little money," Shulansky added.

A spokesman for Seven-Up said, "We have seen more discounters put in soda and do well with it because they are giving it high visibility at the entrances to stores and on end-caps."

Soft drinks sales are up substantially in discount outlets. Just four years ago, for example, discount units garnered less than 5% of the $20 billion spent on soft drinks in the United States. Now, vendors estimate, discount units produce almost 10% of overall volume. Supermarkets still control the lion's share with about a 60% penetration. Those who have mastered the business say the key is control and finding a reliable jobber.

"There are so many new brands and pricing is so crazy, that you have to trust the supplier," confided a source at a midwest discount chain.

Jobbers stock and maintain the pop departments at most major discounters and ordering is done at store level. Many jobbers give attractive 30-day terms. So, if the product moves 20 times on an everyday basis and up to [illegible]0 times on deal, there is a two- to three-week period before payment is due—making for a comfortable cash flow.

Discounters added that they are careful not to over promote or under promote the category. At Target, for example, ads are set at the corporate level. Recommendations are also made concerning quantities. Retailers said that they only sell pop at cost in dire competitive situations or at key seasonal times.

K mart learned the lessons of managing a soft drink department the tough way: failure. In 1982, K mart tested soda but quickly rescinded when it found that it was giving the product away. The culprit was a program which overloaded the stores with slow-turning merchandise. K mart actually had too many brands. The soda category in discount stores, suppliers add, follows the 80/20 rule—80% of the business can be done with 20% of the sku's.

Troy, Mich.-based K mart is back into the business with departments that are strictly controlled. The category is located in front, center aisles to create a strong image.

Gallon consumption of soft drinks
(Manufacturers' sales)

	Total Gallons	Annual % Change
1981	8,909.3	3.7
1982	9,148.1	2.7
1983	9,468.2	3.5
1984	9,846.9	4.0
1993*	13,642.4	3.7

*= projected

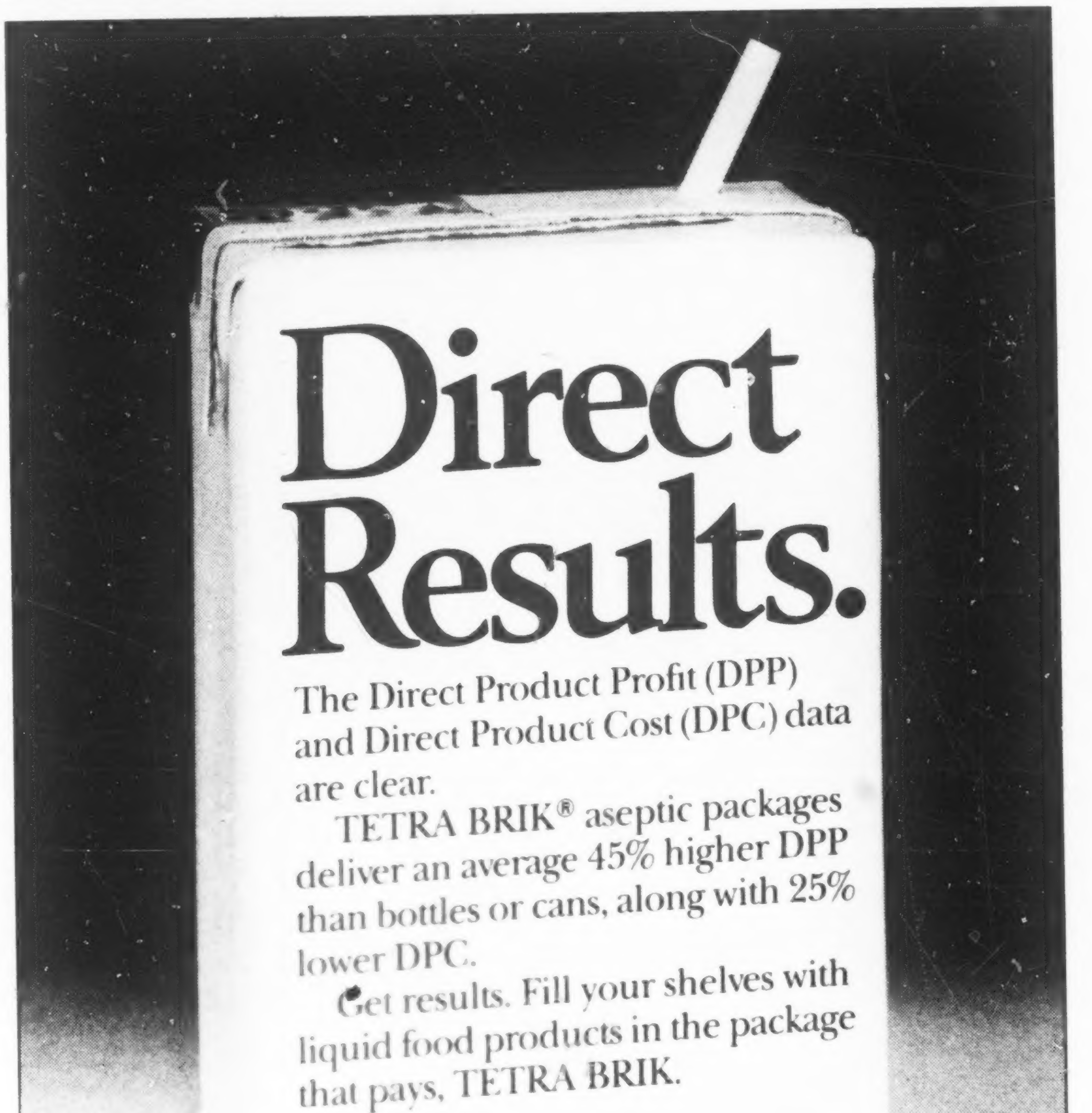
Source: Business Trend Analysts

Although Coke and Pepsi control the business in discounters, the soft drinks wars are expected to really heat up later this year when the juice-added drinks flow into the distribution system. Discounters contacted by *Discount Store News* said it was too early to judge just how successful these items will be. But they did express concern about where the new sku's will be placed in already-crowded departments.

Beverage firms are more sanguine about the future of juice-added sodas. They say health-conscious Americans indicate a need for carbonated products with some juice. This has already been witnessed, points out one Pepsi distributor in the Greater New York Area, by the success of diet drinks.

To tap into that demand, the manufacturers are ready with new entries. Slice and Sunkist already have netted space in departments as have Seven-Up's new Citrus 7 and Coca-Cola's Minute Maid and juice version of Crush. Orangina, which introduced its orange juice-based soda in the United States in 1980, is unveiling a new grapefruit variety this year. Pepsi's Slice has already snared an impressive 2.2% of the soda market in just under a year.

Despite the huge dollars pumped into soft drinks, however, buyers said that the consumer is fickle and often buys whatever the deal brand of the week is.


Direct Results.

The Direct Product Profit (DPP) and Direct Product Cost (DPC) data are clear.

TETRA BRIK® aseptic packages deliver an average 45% higher DPP than bottles or cans, along with 25% lower DPC.

Get results. Fill your shelves with liquid food products in the package that pays, TETRA BRIK.

Tetra Pak Inc.
889 Bridgeport Avenue, Shelton, Connecticut 06484
For more information, call Jim Glover at 203/929-3200

TETRA® PAK

Carrying top lines and promoting can create an exciting pet department.

There's profit potential in pet food

Although less than 5% of the top discounters stock pet food, those that do say that with a little work the department can turn eight times a year.

Most of the nation's discounters are passing up a shot at the bustling $5.5 billion pet food market. In fact, less than 5% of the top discount operators stock pet foods on a day-in, day-out basis.

Yet, a handful of retailers who have committed to the category with planogrammed sections are finding, with a little work, the department can draw customers, bring in repeat business and hike average transactions. When managed properly, buyers said, the department can turn as many as eight times per year.

As discounters continue to venture into food items as a method to serve customers' one-stop shopping desires, pet food is likely to find a home under discount store roofs, said manufacturers.

The hurdles to overcome include determining the proper mix, finding space and a good location in already crowded stores and learning how to promote the key items. Also paramount, said Richard Wykoff, buyer for Danners, is buying enough items from one or two sources to strike the deals needed to produce adequate margins.

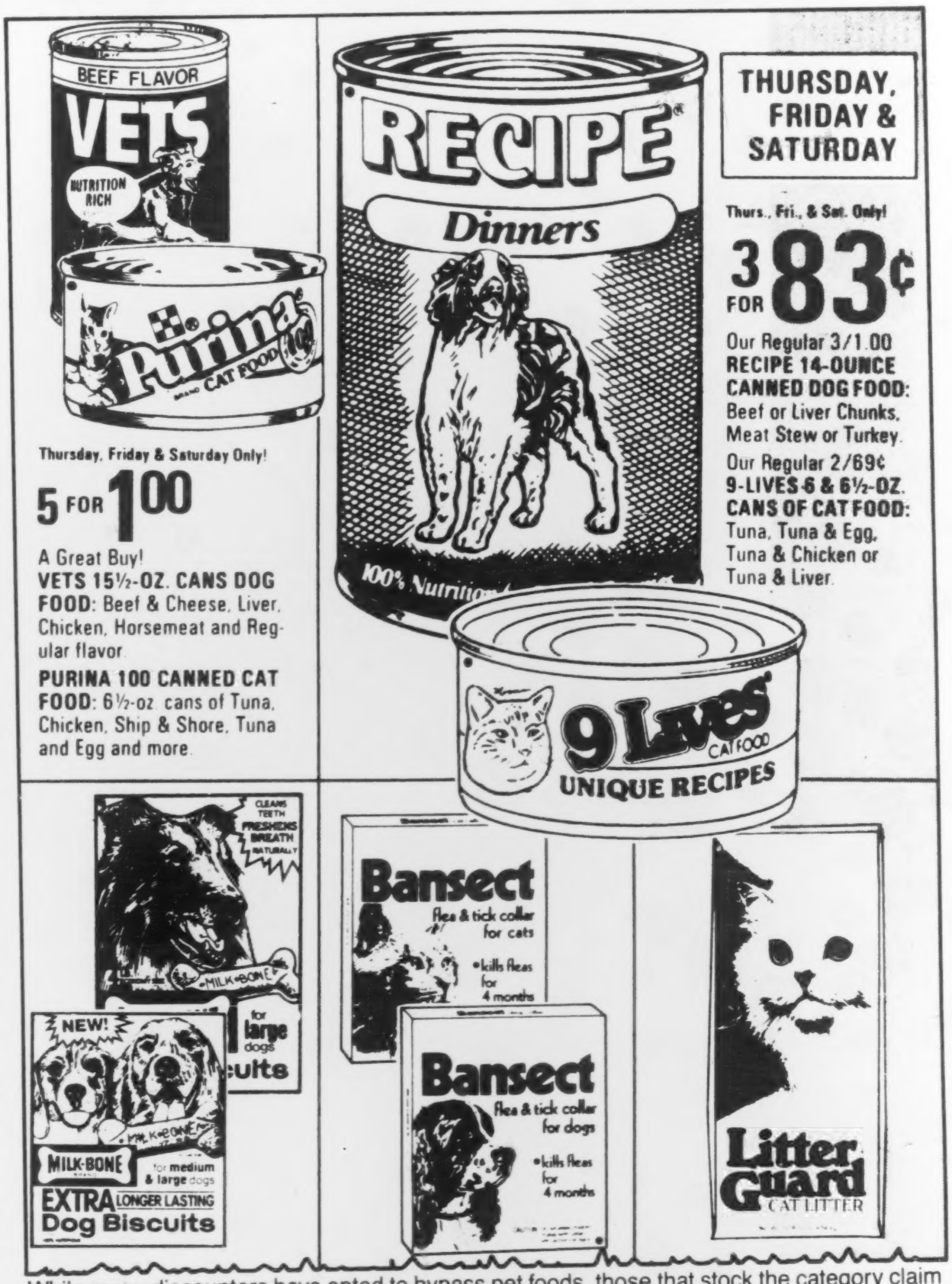
Because the category is tough to

10-year growth of pet food
(In millions)

Year	Manufacturers' Sales	% Change
1975	2,581.7	8.4%
1976	2,629.7	1.5
1977	3,071.0	16.8
1978	3,265.6	6.3
1979	3,390.1	3.8
1980	3,804.6	12.2
1981	4,102.7	7.8
1982	4,437.6	8.2
1983	4,613.8	4.0
1984	4,900.6	6.2
1985	5,500.0	12.2
1993*	9,612.2	74.8

* = projected

Source: Business Trend Analysts


BEEF FLAVOR
VETS
NUTRITION RICH
Purina CAT FOOD 100
RECIPE
Dinners
100% Nutrition
9 Lives CAT FOOD
UNIQUE RECIPES
CLEANS TEETH FRESHENS BREATH NATURALLY
MILK-BONE
for large dogs
NEW!
MILK-BONE for medium & large dogs
EXTRA LONGER LASTING Dog Biscuits
Bansect flea & tick collar for cats
•kills fleas for 4 months
Bansect flea & tick collar for dogs
•kills fleas for 4 months
Litter Guard CAT LITTER

Thursday, Friday & Saturday Only!

5 FOR 1 00

A Great Buy!

VETS 15½-OZ. CANS DOG FOOD: Beef & Cheese, Liver, Chicken, Horsemeat and Regular flavor

PURINA 100 CANNED CAT FOOD: 6½-oz cans of Tuna, Chicken, Ship & Shore, Tuna and Egg and more.

THURSDAY, FRIDAY & SATURDAY

Thurs., Fri., & Sat. Only!

3 FOR 83¢

Our Regular 3/1.00

RECIPE 14-OUNCE CANNED DOG FOOD: Beef or Liver Chunks, Meat Stew or Turkey.

Our Regular 2/69¢

9-LIVES 6 & 6½-OZ. CANS OF CAT FOOD: Tuna, Tuna & Egg, Tuna & Chicken or Tuna & Liver.

While many discounters have opted to bypass pet foods, those that stock the category claim traffic building success with circular promotions.

manage and hard to move through distribution systems, retailers often turn to local suppliers. This results in a poor mix and causes a chain to delete pet foods. Many such as Caldor, prefer to forego pet foods altogether and stick with easier-to-manage pet supplies.

K mart tossed pet foods out a few years ago after an unsuccessful bout with the category. Poor turns and a lack of promotion resulted in a residue of merchandise.

"They had broken bags and that caused infestation," explained one source familiar with the test. "They also had big bags and canned items. The discount shopper buys pet food on impulse and will not buy big bags or huge quantities."

Another problem encountered by K mart and others such as Zayre who also tried pet departments, was that local suppliers did not always put in the name brands. "You have to remember," said Mark Morris, editor of *Feeding Dogs and Cats*, "American pet owners will buy premium brands for their pets and cut costs for their own needs."

The first try with pet foods, however, was not enough to keep K mart from trying again with tests in a few select markets. Suppliers said the chain is entertaining the idea of returning to pet foods, but this time buying direct and emphasizing brand names. A K mart spokesman said no plans are on tap for a planogrammed department at this time.

"When you consider that probably 60% to 70% of shoppers passing through K mart own a pet, you realize it holds great potential for discounters," offered Tom Mainwaring, national sales manager, special markets division, for Carnation.

And, the number of Americans harboring a pet, especially cats, is swelling. There are now 46.3 million felines in 27.2% of American homes, up 25% from 1980. There are 50.2 million dogs in 39.4% of the country's dog houses.

According to Commack, N.Y.-based Business Trends Analysts, Americans will plunk down almost $10 billion for the feeding of their pets by 1993. Currently, added John C. Maxwell Jr., an analyst with Furman Selz Mager & Birney, 90% of total pet food sales have been rung up at supermarkets.

But drug stores are enlarging their selection and producing sales gains as high as 12%. Some discounters are fighting for a morsel of the business, too. Alco, Pamida, Target, Venture, Wal-Mart and Fedco head the list of discounters with everyday, planogrammed pet departments. Although most locate foods on back walls or gondolas within the food or household chemical areas, some, such as Wal-Mart, unabashedly put pet foods in the front cross aisles.

Others, including Jamesway, Clover and most wholesale clubs, bring in pet food on deal. Often contained in cut cases, pet food promotions can draw traffic, confirmed a source at Jamesway. The discounter recently ran a case promotion for a chainwide dollar day sale. Especially sharp prices, such as Alpo in a case of 24 for $9.99 and 24 cases of 9-Lives priced at two cases for $15, resulted in "very strong" movement.

Case loads of pet food are moved by warehouse clubs, reported Mervyn Weich, president of B.J.'s Wholesale Club. "Turns are the key to our format and we find some customers feel it is worth saving money on the big quantities of pet food."

But it still can be hard to find a method to make money, reported Ed Zimmerlan of Hill's.

Manufacturers offered, however, that carrying the top lines, buying on deal and promoting can make for an exciting department. A retailer needs to stock, depending on store size, a 24-ft. to 36-ft. department with about a 50/50 split between dog and cat needs.

Wykoff at Danners said his departments average 12 to 16 ft. Although he stocks more cat sku's, dog foods receive slightly more footage because of the larger bags. Dan-

ALPO
CHICKEN DINNER 3
BEEF CHUNKS DINNER 1
9.99
9 Lives
Super Supper

Jamesway's recent promotion of Alpo at $9.99 for a 24-can case and 9-Lives priced at two cases for $15 resulted in "very strong movement."

ners, he added, promotes at least two pet items per ad. Carrying pet foods, Wykoff said, also results in brisk movement of the higher gross accessories such as dog toys and collars. By merchandising food near these supplies—which typically yield margins of 45% and up—Danners can reap overall attractive gross margins.

"I keep my pricing competitive with supermarkets, but the payoff is in accessories," he said.

Also nudging up margins, said a buyer for Gemco, is a move toward "gourmet" foods. These products, such as Fancy Feast, are usually contained in cans with attractive graphics targeted to please the owner more than the animal.

"As with any premium item, there are higher margins," the buyer reported. Accordingly, he gave a fair play to these items in his 48-ft. pet departments.

At Target, footage in the 30-ft. to 40-ft. departments was allocated by movement. The leading dog food for over 25 years is Purina's Dog Chow. Heinz's 9-Lives leads wet cat food, followed by Mars's Kal Kan, Carnation's Friskies Buffet and Fancy Feast. In dry, Ralston Purina's Cat Chow leads the charge, followed by Carnation's Friskies, Ralston's Meow Mix, 9-Lives' Crunchy Means, Ralston's Happy Cat and Mars's Crave.

It is not getting easier to feed the resident pet, concluded research from Maxwell. The average cost of pet food is up from 58¢ a lb. five years ago, to 82¢ per lb.

"Discounters are seeing other operators bringing in customers with pet foods and discounters are not stupid—I won't be surprised if they give the department a try," concluded a spokesman for Purina.

The market for pet food by type
($ millions)

Year	Dog and Cat Food	Annual % Change	Other Pet and Specialty Food	Annual % Change
1977	$2,549.2	—	$ 521.8	—
1978	2,699.9	5.9%	565.7	8.4%
1979	3,115.6	15.4	274.5	−51.5
1980	3,368.0	8.1	436.6	59.1
1981	3,686.4	9.5	416.3	− 4.6
1982	3,927.2	6.5	510.4	22.6
1983	4,077.4	3.8	536.4	5.1
1984E	4,336.8	6.4	563.8	5.1
1993P	8,605.2	7.8*	1,006.9	6.5*

E = estimate
P = projection
* = average annual growth 1983-1993

Source: Business Trend Analysts

Candy Dominates Top 10 Brand Choices in Snack Foods Area

At a Chicago Zayre store, two-liter bottles of soda are stacked on top shelf. Coke and Pepsi made the Top 10 in the DSN top brands survey, although candy edged out both. (DSN *photo*)

An overview of the candy and food department in the same Zayre store in Chicago shows a wide brand assortment of juices, candy, crackers and soda. (DSN *photo*)

Nationwide DSN Report

The market for snack food-continued to be strong in discount department stores, according to store managers surveyed about top brands in food, candy, snacks and beverages.

Candy dominated the top choices, with M&M, Hershey's, Mars, Brach's and Sather all earning a place among the store managers' choices for Top 10 brands. The list is rounded out by Planters, Frito-Lay, Coke and Pepsi.

New programs and improved presentations have produced some changes in the Top 10 rankings for 1986, compared to 1985. Planters moved up to the top spot this year from second last year. M&M gained the most ground by moving from sixth on the 1985 survey to second this year. Hershey's was nudged out of the top spot and slipped into a tie with M&M for second place. Mars also slipped from third to fourth place.

Brach's hung on as the fifth favorite brand in the category for two consecutive years. Frito-Lay lost ground, slipping from fourth place to sixth. Nabisco rated seventh place for the second consecutive year.

Coke again edged out Pepsi as it did last year, with Coke occupying the number-eight spot and Pepsi right behind in the number-nine slot. The two brands moved up one spot from last year when Keebler, number eight, fell from the Top 10 list. Sather's program won it a place as number 10 on this year's list.

When rated by managers from different types of outlets—All Discounters, Conventional Discounters and Upscale Discounters—Planters performed best for conventional discounters, with 47% of managers from those stores naming it as their top choice. It did worse in upscale discounters, where managers rated it at 40%. The same pattern of popularity holds true for M&M. The brand did best in conventional discount stores, 45%, and was rated at 36% in upscale discounters.

Hershey's did well in all three types of stores, with a 43% rating from conventional discounters, 42% from all discounters and 40% from upscale stores. Results for Mars showed the same pattern of success in all three categories of stores. Brach's scored best, 35% in conventional discounters, and lowest, 30%, in upscale stores.

Results differ more sharply among the bottom five brands on the Top 10 list in different store settings, but the majority fared better in conventional discount stores and worse in an upscale setting. The exceptions are Coke and Pepsi. Both were rated higher by store managers from upscale stores and lower for conventional discounters.

Sather was rated higher by conventional discounters, second by all discounters, and received no mention from managers of upscale stores.

Among the industry's top five chains, Planters was rated the highest by Wal-Mart managers at 64% and lowest by Target at 34%. M&M did best at K mart with 56%, against 39% at Zayre. Hershey's did equally well at K mart and Zayre, with 56% from both, compared to 18% at Wal-Mart. Mars' program has consistent approval from all four major chains, with only four percentage points separating the highest rating, K mart and Wal-Mart, and Zayre, 41%.

Reactions to Brach's brand vary widely. Wal-Mart store managers rated it at 72%, while Zayre and Target awarded it a single-digit rating.

Store managers from different regions differ greatly in their appraisal of the top 10 brands. Planters did best in the North Central region, with a 49% score, compared to 40% in the Northeast. M&M's strongest support is in the South, 51%, compared with 31% in the North Central region. Hershey's fared best in the Northeast with 50%, and worse in the North Central states, 31%.

Mars did best in the South and the West, 46% and 45% respectively. The brand fared worse in the Northeast and the North Central states, where it garnered equal ratings of 36%.

Brach's got the biggest endorsement from store managers in the South, 44%, compared to 22%, or exactly half, from the West region. Frito-Lay did equally well in the South and the North Central regions, with the same rating of 38%. In the Northeast, it was rated at 21%. Nabisco is one of the few brands that did best in the North Central region, 28%, versus 12% in the Northeast.

Coke and Pepsi both drew their main support in the North Central region. Sather did best in the West with a 13% rating, compared to 5% in the Northeast.

When store managers were asked to project changes in sales volume for the Top 10 chains in 1986, the results show uncertainty about growth and several estimates of flat sales or actual declines.

Among the top four brands, Planters, M&M, Hershey's and Mars, store managers said it was almost as likely the products would generate increases in excess of 10% as they would flat results or actual declines. There was more certainty about Brach's. By a clear margin, store managers said they expect no growth or perhaps a decline in sales.

Frito-Lay was considered likely to achieve a sales increase in excess of 10%. Nabisco also was expected to make sales gains, but the gains would be more modest. Store managers expected Coke and Pepsi to make sales gains this year, but projections showed no strong pattern for the amount of the gain. Sather was expected to make headway but almost certainly less than a 10% increase.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Planters	59%	64%	50%	34%
M&M	56	52	39	42
Hershey's	56	18	56	26
Mars	45	45	41	44
Brach's	24	72	7	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Planters	44%	47%	40%
M&M	42	45	36
Hershey's	42	43	40
Mars	41	42	38
Brach's	34	35	30
Frito-Lay	33	38	23
Nabisco	24	28	15
Coke	12	10	16
Pepsi	9	8	13
Sather	9	14	—

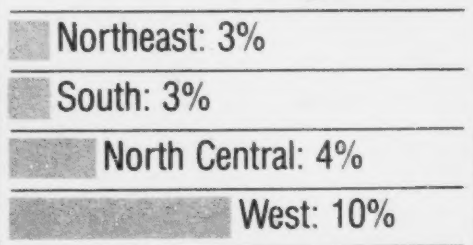
Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Planters	40%	45%	42%	49%
M&M	43	51	31	44
Hershey's	50	43	31	49
Mars	36	46	36	45
Brach's	27	44	34	22
Frito-Lay	21	38	38	26
Nabisco	12	25	28	23
Coke	11	13	19	—
Pepsi	9	7	18	—
Sather	5	11	8	13

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Growth Regions



In food, candy and snacks, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the West—10%.

Source: DSN/*Leo J. Shapiro & Assoc.*

Wilson Nails Down Leadoff Spot in Sporting Goods Lineup

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Wilson	52%	76%	62%	55%
Coleman	42	67	52	36
Spalding	45	47	36	32
MacGregor	55	6	7	7
Zebco	9	30	30	6

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

The top three brands in sporting goods favored by store managers remained the top three in the lineup over the past year, but Wilson grabbed the top spot from Coleman, now bumped to second place, while Spalding keeps a secure hold on third place.

Outside of the realignment in the top three brands, the changes came fast and furious. The big winner was MacGregor, moving up from ninth on the list last year to fourth in 1986. Diversified lost the most, slumping from number eight to number 20 this year.

New products and marketing programs by Shakespeare, Huffy and Rawlings catapulted last year's also-rans onto the 1986 Top 10.

Garcia and Spalding represent islets of stability in a sea of shifting loyalties. Spalding has remained store managers' choice for the third best brand in the category for two successive years, while Garcia has anchored the top 10 list for the same period.

Daiwa and Remington slipped from last year's ranking of sixth and seventh, respectively, to 11th and 12th this year. Others in the top 20 were: Penn, Nike, Berkley, Puma, Gott, AMF Voit, Thermos and Diversified.

Among store managers at K mart, Wal-Mart, Zayre and Target, preferences for the top five brands remained fairly consistent. The Wilson brand was most valued by the Wal-Mart store managers who participated in the Top Brands survey. Wilson was the top choice of 76%. K mart managers were slightly less enthusiastic than their Zayre and Target counterparts, with 52% choosing Wilson as their top sporting goods brand.

Coleman was cited by 67% of Wal-Mart managers as the next best performer, its highest rating, while 36% of Target managers agreed, its lowest rating.

Support for the Spalding brand was less varied, with Wal-Mart giving it the strongest endorsement, with 47% and just 32% from Target, the lowest rating.

MacGregor clearly has a solid relationship with K mart, based on a tally of 55% from that chain's managers, in contrast to the single-digit ratings MacGregor received from Wal-Mart, Zayre and Target. Rounding out the top five brands by chain preference, Wal-Mart and Zayre managers rated the Zebco brand at 30%, while K mart and Target managers gave it a single-digit rating.

The top three brands, Wilson, Coleman and Spalding, did well in all three store categories—All Discounters, Conventional Discounters and Upscale Discounters—but were given their highest ratings by upscale discounters.

MacGregor scored a rating of 24% from conventional discounters but 5% from upscale chains. Similarly, Zebco did best at conventional discount store chains and scored lowest in upscale stores, 3%.

Igloo brand did best in upscale chains, as did Huffy. Rawlings and Garcia received similar ratings from all three types of outlet.

The top five brands turned in different performances in different parts of the country. Wilson products were rated highest by store managers in the Northeast, 57%, and lowest in the West, 37%. The Coleman brand did best in the

(Continued on page 81)

Growth Regions

Northeast: 9%

South: 7%

North Central: 8%

West: 11%

In sporting goods, the most discounter managers citing an increase in the number of brands carried (1986 vs. 1985) were in the West—11%.

Source: DSN/*Leo J. Shapiro & Assoc.*

hth
TABLETS
ALGAECIDE
pace
sticks
pace
small tablets
hth
GRANULAR
pace
giant tablets

HTH® and Pace®
bring in the pool crowd...
...and that brings in profits.

It's no wonder. Because HTH® and PACE® brand pool care products attract the customers you want—affluent home-owning shoppers with money to spend on everything you stock.

HTH and PACE are the number one selling and best-known pool care product brands in America.

They are supported by the most aggressive national consumer advertising and promotions in the industry, including a nationwide 800 consumer pool care information number. And, both HTH and PACE brands offer generous co-op advertising allowances that help make your profits even bigger.

For information, or to arrange a presentation, please call our National Account Manager at (203) 356-2337 or 3577.

hth. Dry Chlorinator AND pace. Concentrated Pool Chlorinator

We bring in the profits.

HTH® and Pace® are registered trademarks of Olin Corporation.

Wilson Picked as Leadoff Batter in Sporting Goods Lineup

(Continued from page 78)

Northeast, 53%, and was rated its lowest for the West, 39%. Spalding fared well in three regions: Northeast, 43%; North Central, 38%; South, 37%. Its lowest rating came from markets in the West, 33%.

MacGregor scored best in the West with 23%, compared with 10% in the Northeast. Zebco held a clear edge in Southern markets with a rating of 22%, compared with 3% in the Northeast.

When store managers were asked to forecast 1986 sales growth for their favorite sporting goods brands, they painted a picture of increased volume for some top brands but were uncertain about the potential of others.

A clear majority of the respondents, 59%, expect to have 10% sales increase, or better, while 17% said it may be more stable or actually lose ground. Coleman products are projected to have similar growth by 47% of store managers but 44% are concerned about sales slippage by the brand. Forty percent said Spalding sales will grow by 10% or more this year and 26% see the potential for either no growth or a sales decline.

Other top 10 brands are more vulnerable to sales declines, said store managers. The Zebco and Shakespeare brands raise the most concerns, with 22% of the managers predicting no growth or an actual decline for Zebco and 8% expecting an increase of 10% or more. Twenty-two percent expect no sales growth or a decline from Shakespeare in 1986 and 6% expect an increase of 10%.

Comments about the ability of other top 10 brands to generate increased volume show uncertainty or a lack of enthusiasm. Igloo, Huffy, and Rawlings, for example, are considered more likely to remain stable or slip than they are to grow.

Different store sizes apparently affect top 10 brand sales in different ways. The Wilson brand does best in store sizes of more than 100,000-sq.-ft. and worse in those of less than 60,000-sq.-ft. The Coleman brand was rated higher for its performance in smaller, under 60,000-sq.-ft. stores, than it did in larger settings. Spalding did well in 60,000- to 100,000-sq.-ft. stores and did slightly better in the more than 100,000 category.

Of the store managers who rated Zebco a top brand, 28% manage a store of less than 60,000-sq.-ft. The brand received single-digit ratings from managers in larger stores. Rawlings also fared better in smaller stores.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Wilson	48%	47%	50%
Coleman	44	43	44
Spalding	38	34	44
MacGregor	18	24	5
Zebco	12	17	3
Igloo	11	8	16
Shakespeare	8	11	4
Huffy	8	2	20
Rawlings	7	8	6
Garcia	7	7	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

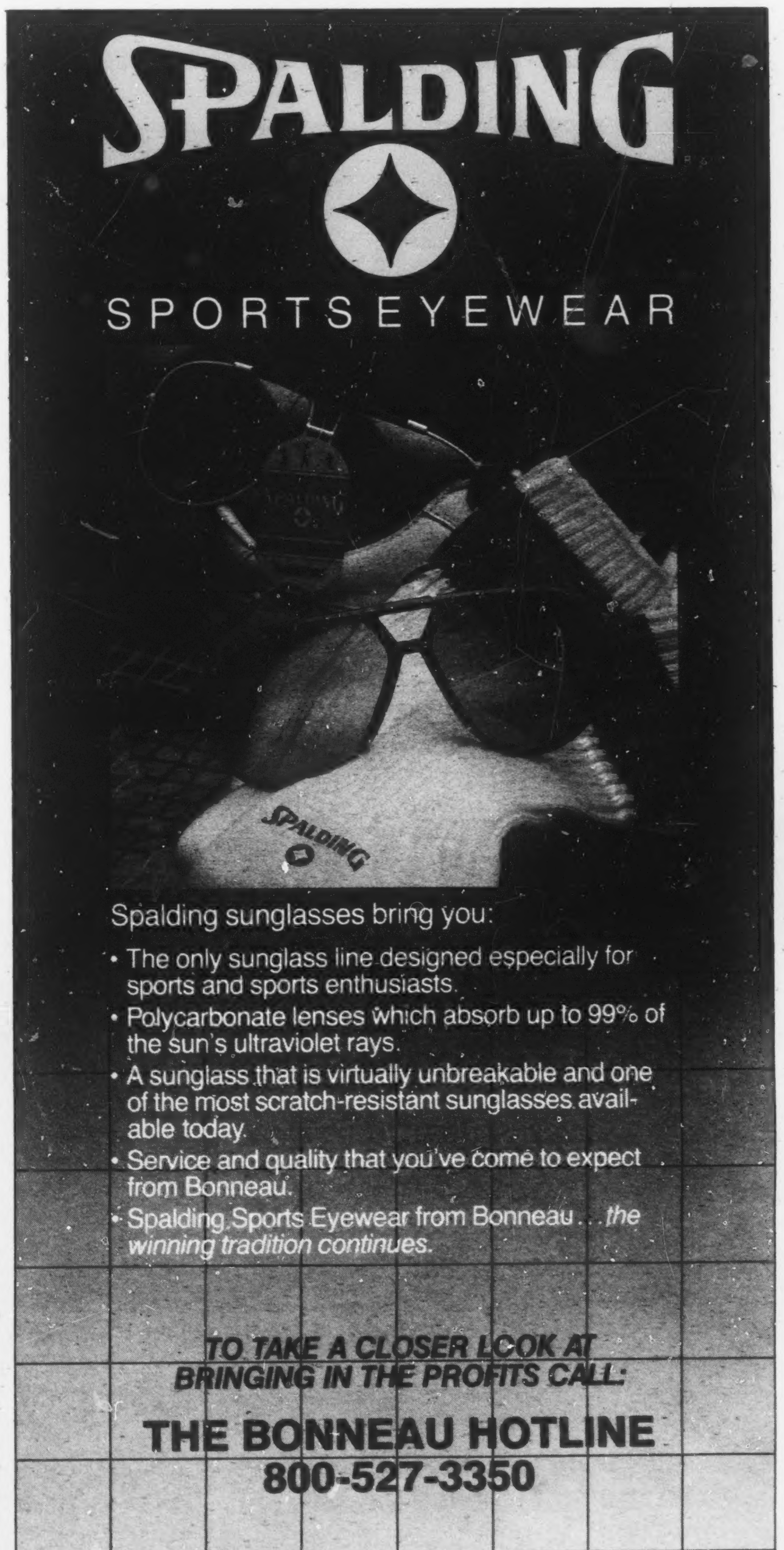
Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Wilson	57%	48%	50%	37%
Coleman	53	44	41	39
Spalding	43	37	38	33
MacGregor	10	17	19	23
Zebco	3	22	9	10
Igloo	4	12	9	17
Shakespeare	4	9	9	9
Huffy	9	7	11	4
Rawlings	9	5	14	—
Garcia	2	8	5	14

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

K mart's dominance in sporting goods is due in part to its strong year-round merchandise assortment that ranges from low price points up to high end items like golf clubs and carts. (DSN *photo*)

Located in a milder climate, ALCO's southern stores benefit from a longer selling season in outdoor sporting goods, giving a boost to fishing tackle.



SPALDING
SPORTSEYEWEAR

Spalding sunglasses bring you:

- The only sunglass line designed especially for sports and sports enthusiasts.
- Polycarbonate lenses which absorb up to 99% of the sun's ultraviolet rays.
- A sunglass that is virtually unbreakable and one of the most scratch-resistant sunglasses available today.
- Service and quality that you've come to expect from Bonneau.
- Spalding Sports Eyewear from Bonneau . . . *the winning tradition continues.*

TO TAKE A CLOSER LOOK AT BRINGING IN THE PROFITS CALL:

THE BONNEAU HOTLINE
800-527-3350

bonneau®
THE SUNGLASS PROFESSIONALS

The Bonneau Company
P.O. Box 819084
Dallas, Texas 75381

© 1986 The Bonneau Company

Fisher-Price, Mattel Lead Toy Brands in Manager Esteem

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Fisher Price	59%	55%	66%
Mattel	53	54	50
Playskool	36	34	38
Coleco	29	31	24
Milton Bradley	22	25	18
Hasbro	18	18	20
Kenner	17	21	7
Tonka	15	18	9
Huffy	9	12	3
Gay	7	10	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Fisher Price	68%	49%	60%	65%
Mattel	41	56	47	68
Playskool	45	41	27	33
Coleco	32	26	34	21
Milton Bradley	37	26	19	8
Hasbro	16	20	18	18
Kenner	20	16	15	15
Tonka	16	11	17	17
Huffy	8	10	6	13
Gay	3	10	7	8

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

For the second consecutive year, Fisher-Price and Mattel led all toys brands in the esteem of discount store managers.

Both brands were named by more than half the managers who were polled. The managers were asked to list those brand names that were key to their toy departments.

Fisher-Price, the manufacturer of well-regarded educational and preschool toys, was named a top brand by 59% of discounters. It had topped last year's chart with a 67% rating.

Gap Narrows

As in 1985, the brand's support was higher among upscale discounters than conventional stores, but the gap narrowed. This year, 66% of upscalers chose it as a key name, while 55% of conventional store managers agreed. The margin last year was 80%, compared to 62%.

Mattel, six points back, again was the second most popular name with the managers. Last year, Mattel scored with six out of ten discounters.

Mattel's score with managers of conventional discounters was just one point below Fisher-Price's at 54%. It lagged 16 points back, however, when upscalers were polled, with citations as a top brand by exactly half of the managers. Last year, the numbers were 61% for conventionals and 53% among upscalers.

Still, Mattel maintained a comfortable lead over the number-three brand, which this year was Playskool. That brand improved its performance by 11 points to score with 36% of all discounters.

The Playskool ratings among managers of conventional and upscale stores were relatively consistent, at 34% and 38%. The brand also scored with 38% of upscalers last year but was regarded as a key name by only 21% at conventional stores.

Coleco dropped from third to fourth place with discounters as both retailers and Wall Street wait to see if the company can come up with another runaway hit such as its Cabbage Patch dolls.

While Cabbage Patch has come down from a boil to a simmer, Coleco's 1986 rating with store managers dropped only three points to 29%. Its rating was slightly higher at conventional stores, 31%, and five points lower, at 24%, with upscalers. Last year, upscalers gave Coleco a higher score by a 15-point margin—44% to conventional discounters' 29%.

Milton Bradley cracked the top five this year after its seventh-place showing in 1985. Its overall score rose from 16% to 22%. The board game company in both years got more support from the conventional store segment of the industry. This year, the score was 25% at conventionals and 18% at upscalers. In 1985, it rated 18% and 15%.

Three other toy brands

(*Continued on page 85*)

Knock off Fisher-Price and take your lumps

These are the authentic Puffalumps. Don't make, buy or sell knock-offs!

The Puffalumps™ are unique and one of the most successful new products introduced in the toy industry this year. The Puffalumps are also the exclusive property of Fisher-Price® and are protected by trademarks, copyrights and extensive patent applications.

Fisher-Price will not tolerate infringement of its legal rights. As we successfully did with our Tape Recorder, Phonograph, Roller Skates, and others, we will take aggressive action to protect them, and we will seek maximum damages against anyone who manufactures, distributes or sells knock-off Puffalumps.

Unique new product, like The Puffalumps, is the lifeblood of the toy industry. It takes a tremendous upfront investment. Manufacturers who "knock-off" product and retailers who support them undercut the whole industry.

Fisher-Price will not stand for it. Knock-off The Puffalumps and your troubles have just begun.

©1986 Fisher-Price

Fisher-Price and Mattel Lead Manager Top 10 Brand Choices

(Continued from page 82)

scored in the double digits.

Hasbro nosed out Kenner 18% to 17% this year for sixth place. A year ago, Hasbro was the fourth-ranked brand at 25% and Kenner was sixth at 18%.

In both years, Hasbro's support was evenly divided among the two industry segments. Its current score at conventional stores is 18% and at upscalers, 20%. Last year, the numbers were 24% at conventionals and 26% with upscalers.

Kenner Loses Strength

Kenner, however, lost strength with managers at upscale stores. In 1985, its appeal was evenly divided, with ratings of 18% and 17% at conventionals and upscalers. This year, its conventional store rating edged up to 21%, but its appeal with the upscale segment fell by more than half to 7%.

Tonka placed eighth in both surveys, with a 15% rating. The difference is that Tonka added two points to its score with conventionals to 18% and lost two points with upscalers to get a 9% rating in 1986.

Huffy finished in ninth place both years but raised its rating in 1986 to 9%. Gay knocked off Parker Brothers for the last spot on the top 10 with 7%. Parker was tenth last year at 5%.

While upscale discounters generally gave Fisher-Price the higher score, two conventional chains gave the brand exceptional support. Just under three out of four, 73%, of Wal-Mart managers cited it as a top brand. While dropping 20 points from 1985, Zayre's 71% rating remained strong.

Target gave Fisher-Price significantly less support than other upscalers. From a high rating of 79% last year, the number dropped to a below-average 52%.

K mart's backing also dropped, but by a much smaller margin. The 1985 K mart Fisher-Price score was 52%, seven points higher than this year's.

Mattel added 20 points to its 1986 Wal-Mart score, going from 61% to 81%. At Target, the rating dropped 10 points to 49%, while K mart and Zayre scores were consistent with last year's.

Wal-Mart managers also raised their opinion of Playskool by a wide margin. From a one-in-five rate of mention, Playskool shot to a 56% score at the chain. Playskool scored slightly higher this year at K mart and Zayre—breaking the 50% plateau at Zayre—but dropped nine points at Target to 23%.

While slipping in the overall ratings, Coleco actually raised its score at three of the four chains highlighted. The biggest increase was the 11-point gain at Wal-Mart to 30%. It also gained four points at K mart and nine at Zayre for 1986 scores of 27% and 56%, respectively.

While Coleco's Target score was lower, the decline was four points to 30%.

Milton Bradley scores at the three conventional chains were consistent, ranging from 26% at K mart to 28% at Zayre. At Target, the board game brand scored three points under the upscale store average with 15%.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Fisher Price	45%	73%	71%	52%
Mattel	62	81	38	49
Playskool	34	56	52	23
Coleco	27	30	56	30
Milton Bradley	26	27	28	15

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Regionally, the South was Fisher-Price's weakest area at 49%. Its rate of mention as a top brand exceeded 60% in the rest of the country.

Mattel fared relatively poorly in the Northeast, dropping well below its overall score with a 41% score. The North Central rating also was below the national average of 53% but by only six points.

Mattel did far better with western discounters, being cited as a top brand name by more than two out of three managers.

Playskool exceeded 40% in both the Northeast and the South but dipped to 27% in the North Central area.

The two northern regions gave Coleco ratings above 30%, while western managers dropped it to 21%.

Milton Bradley was popular with Northeastern discounters, winning a 37% rating, but caught the attention of 8% of managers in the West.

Growth Regions

Northeast: 3%
South: 6%
North Central: 5%
West: 0%

In toys, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South—6%.

Source: DSN/Leo J. Shapiro & Assoc.

New Directions in Marketing, New Profit Opportunities.

The consumer electronics industry is reaching a point of healthy stability, and for retailers and marketers Winter CES® is the perfect time to take fresh stock of the industry…to look closely at its new marketing directions and seek out the products and pricing, the producers and programs that will provide the greatest profit opportunities in 1987.

CES: Your Primary Source of New Products, New Ideas and Information.

At CES, over 1,400 exhibitors will display the very latest and most important advances in audio, video and audio/video systems, specialty audio, video software, satellite earth stations, furniture and accessories, personal/home electronics, mobile electronics/car audio, telephones and telecommunications, personal computers and home/office products.

Here you will find new products to replenish Christmas stock, new products that mark growing trends, new products from innovative technologies, and new products from companies new to the industry.

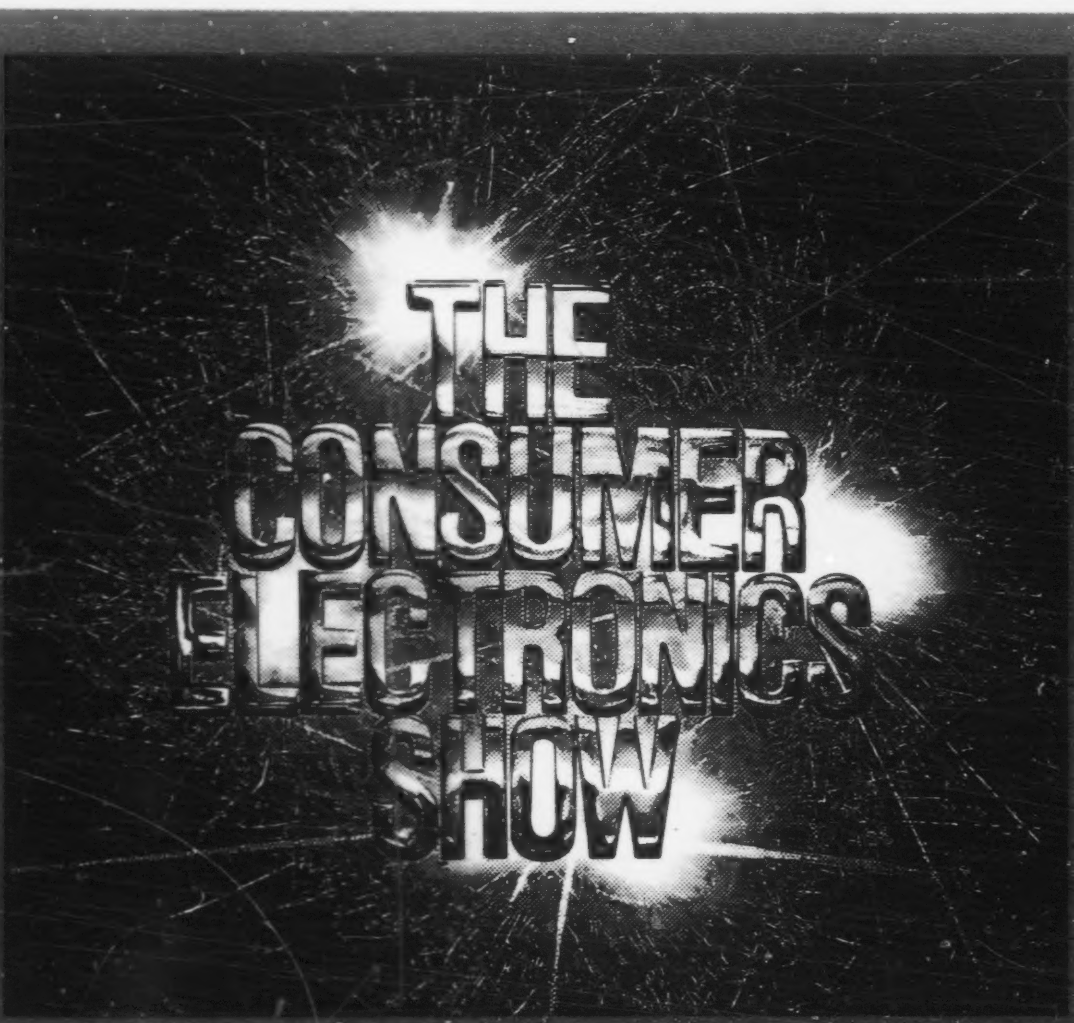
At CES, you will also have an opportunity to attend major conferences and workshops where new technologies are explained, new market trends are revealed, and new techniques in sales and merchandising are introduced.

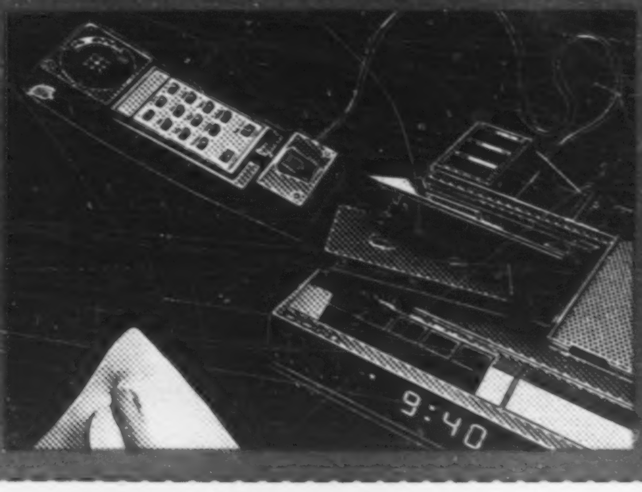
Winter CES is the Industry's Total Show!

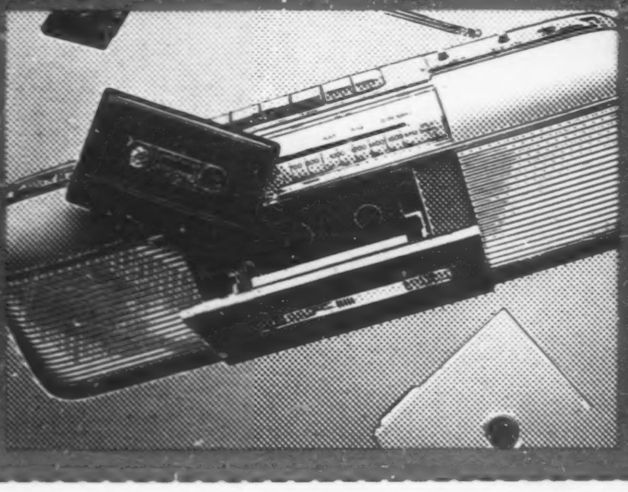
Everything you need to see, everything you want to know, everyone you want to meet will be at this major event. For 100,000 trade visitors from every sector of the industry—from mass merchandising generalists to high-end specialists—Winter CES holds the key to a profitable year.

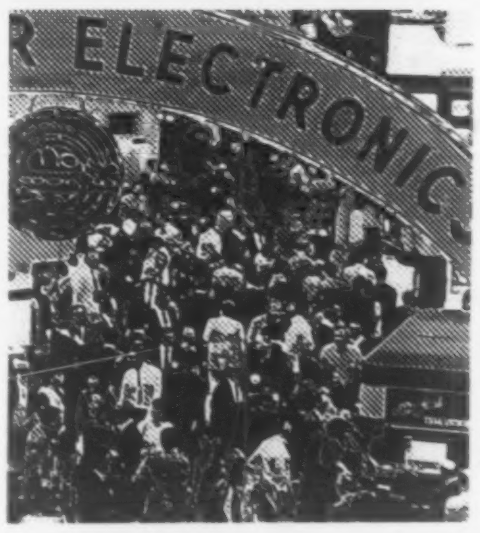
Don't miss it. Preregister now by sending in the Advance Registration Form below. For exclusive discounted airline fares call American Airlines toll free at 1/800-433-1790 or CW Travel at 1/800-524-4433, and identify yourself as a Winter CES traveler.

1987 International Winter Consumer Electronics Show®
Thursday, January 8 through Sunday, January 11, Las Vegas, Nevada
Las Vegas Convention Center, Las Vegas Hilton Hotel, Riviera Hotel, Sahara Hotel









For the trade only.
No one under 18 years of age will be admitted.

REGISTER NOW! SAVE THE $25 ON-SITE FEE.

Preregister now for the 1987 International Winter Consumer Electronics Show by mailing this completed form to Consumer Electronics Shows, c/o CompuSystems, Inc., P.O. Box 6579, Broadview, IL 60153-6579. This form must be recieved by CompuSystems no later than Friday, December 12, 1986, in order for your badge to be mailed to you. Attach your business card or company letterhead to assure prompt processing. If received after December 12 and before December 24, 1986, please pick up your badge on-site, after showing two forms of ID, at the 1987 Winter CES "Will Call" Desk located in the Main Registration Area of the Las Vegas Convention Center. To register more than one qualified individual, please duplicate this Advance Registration Form. Complete Show information, including housing form, will be sent separately.

Name
Company
Street
City State Zip
Phone

Only 21 characters (as indicated) including spaces will appear on your Badge.

Please check your badge category: 1 ☐ Retailer 2 ☐ Distributor 3 ☐ Dept./Chain Store Buyer 4 ☐ Prem./Catalog Buyer 5 ☐ Manufacturer's Rep. 6 ☐ Manufacturer 7 ☐ Institutional Buyer 11 ☐ Adv./Mktg./PR/Consultant 12 ☐ Financial/Market Analyst 13 ☐ Other ________ (please specify)

The International Consumer Electronics Shows are sponsored and produced by the Electronic Industries Association/Consumer Electronics Group.

199

Chain Managers Select Mead, Bic as Stationery Dept. Leaders

Nationwide DSN Report

The Mead and Bic brand names were clear leaders in the stationery departments, according to discount store managers surveyed.

Mead, the filler paper/notebook supplier, exceeded a 50% score by two points in the rate of mention by managers as a top brand. Bic also did well, selected by almost four of ten managers polled. Both brands boosted their 1985 scores in a similar survey.

Mead, the number one brand both years, scored 52%, an eight-point increase. However, in a reversal, the paper company this year scored better among managers of conventional stores than with upscale discounters.

Its 1986 score of 54% is 14 points higher than it achieved with conventionals last year. Managers of upscale stores gave it a 46% rating in the current poll, seven points lower than 1985.

Bic, which was the runner-up in both surveys, moved up five points to 38% overall, thanks to a significant increase in support from conventional stores. The writing instruments company last year had 32% ratings from both industry segments but jumped to 44% among conventionals in 1986. Its support from upscale store managers dipped to 27% this year.

Papermate and Parker also maintained their respective third- and fourth-place rankings on the list of the 10 top stationery brands. And they, too, showed small increases in their scores.

For 1986, Papermate was cited by almost one in four discounters as a top brand, rising six points to a 23% rating. Parker edged up four points to an overall 14% score.

Papermate's higher rating came from the conventional-store segment of the discounting industry. While its score of 16% among upscalers was virtually unchanged, the company added 10 points to reach a 26% rating in 1986 with conventionals.

Parker, too, gained support among the more numerous conventional store managers. A year ago, upscalers gave Parker higher marks by a 14% to 9% margin, giving it a 10% score for the entire discounting industry. This year, its 14% industry rating was achieved by way of a 16% score from the conventional segment and only 9% from upscalers.

The fifth brand on the list, and the last to obtain double-digit ratings, was Crayola at 13% overall. Crayola moved up one spot from sixth last year, when it scored with only 7% of store managers.

Like Parker, Crayola's higher score was achieved through additional support from the conventional store segment. In 1985, 9% of the managers of conventional stores cited the crayon company as a top brand. That score doubled to 18% this year. The brands 2% rating from upscalers was unchanged.

Rounding out the top 10, Scripto narrowly led the next five brands at 6% to American Greetings' 5%. Gibson Buzza and 3M followed with identical 4% scores, and Wearever closed out the list with a rating of 3%.

Mead had an exceptionally high score with Wal-Mart managers at 83% but also did well with K mart and Target, with ratings of 59% and 66%, respectively. Its K mart score was a significant improvement over the 18% rate of mention at the industry's largest retailer last year. Mead's 1986 Wal-Mart score represented a gain of 14 points, but it slipped seven points at Target.

The weakest chain for the top-ranked stationery brand was Zayre, where it was named by 34% of managers. Still, that represents a nine-point gain for Mead.

Bic made considerable progress in the esteem of both K mart and Wal-Mart managers but lost more than half its support at Target. From 29% at K mart in 1985, Bic climbed

(Continued on page 91)

A large selection of greeting cards and gift wrappings is merchandised at Caldor's, Secaucus, N.J.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Mead	59%	83%	34%	66%
Bic	52	61	37	26
Papermate	24	71	23	9
Parker	36	5	6	4
Crayola	26	41	6	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

APPAREL SELLING AIDS

Boots-Shirts-Underwear
Model No. 910 Big Grabber*
Excellent for packaged apparel . . . hang bar approach.

Mittens-Hats-Gloves
Model No. 909 Little Grabber *
Excellent for displaying small items - peg board approach.

Jogging/Sport Shoes
Model No. 917
The shoe hanger is for high density display of all types of sport and casual shoes.

Sizing System
See-Lect-Eez* Size Indicators
Complete line of size indicators fits on hook of Batts apparel hangers.

IF YOU HAVE A PARTICULAR NEED WE WOULD BE HAPPY TO DEVELOP THE PRODUCT.

Send for your free test sample hangers.

Contact Batts' Customer Service Phone: (616) 772-4635

Batts inc ®

Zeeland, MI 49464

Super J.Can®
with the
INTER-LOK™
One Piece Spout System
Easy carry . . . easy pour . . . easy store

- [illegible] connection
- [illegible] the container for easy storage
- It's a snap!

New From . . .

RELIANCE

Reliance Products Ltd., Winnipeg, Canada R3H 1A4 • Telephone: (204) 633-4403

Mead, Bic are Numbers 1 and 2 in Chain Stationery Depts.

(Continued from page 88)

to a 52% rating. At the number two discounter, the score rose from 32% to 61%. The bad news for Bic was its plunge from a 55% rating at upscale Target stores to a 1986 score of 26%.

Bic's Zayre rating remained essentially unchanged.

Papermate also made a big gain at Wal-Mart, rising from a 13% rating last year to 71%. That more than compensated for the drop in the Target score from 22% to 9%. Papermate's K mart and Zayre ratings held steady.

K mart gave Parker a boost, more than tripling 1985's 10% rating to 36% this year. Changes in ratings at the three other chains were insignificant.

Strong support from Wal-Mart aided Crayola in reaching the top-five level. Managers for the Arkansas-based discounter cited Crayola at a 41% rate.

The crayon company also did well at K mart, with 26%, but Zayre's 6% rating and Target's pass on the brand hurt its cause.

Regionally, Mead surpassed its average rating in the South and West with scores of 58% and 60%, respectively. Its North Central score of 48% was just off the mark, but Mead's appeal sagged at 37% in the Northeast.

Bic, based in Connecticut, did best in the Northeast with a 47% rating. Its southern and western scores were comparable at 41% and 37%, while the brand's appeal dropped off to 31% in the North Central region.

The North Central was also Papermate's weak spot at 17%, but the rating in the West was only two points higher. Ratings improved in the South, where Papermate garnered support from 26% of discounters and topped off at a 30% score in the Northeast.

Parker's greatest strength by far was with western store managers. They awarded the pen company a 26% rating, while the best it could do in other areas was a 12% score in the South.

Crayola's regional scores varied by 10 points, from a low of 7% in the Northeast to a high of 17% in the West.

Among the other brands, Gibson Buzza showed significant variation in its regional scores. The brand had a zero rating in the South and a 3% rate of support in the Northeast. But it reached double digits at 10% in the West.

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Mead	52%	54%	46%
Bic	38	44	27
Papermate	23	26	16
Parker	14	16	9
Crayola	13	18	2
Scripto	6	5	6
American Greetings	5	7	1
Gibson Buzza	4	3	7
3M	4	6	1
Wearever	3	2	6

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Mead	37%	58%	48%	60%
Bic	47	41	31	37
Papermate	30	26	17	19
Parker	10	12	9	26
Crayola	7	16	10	17
Scripto	9	3	7	4
American Greetings	3	8	2	5
Gibson Buzza	3	—	5	10
3M	—	7	5	3
Wearever	5	3	2	5

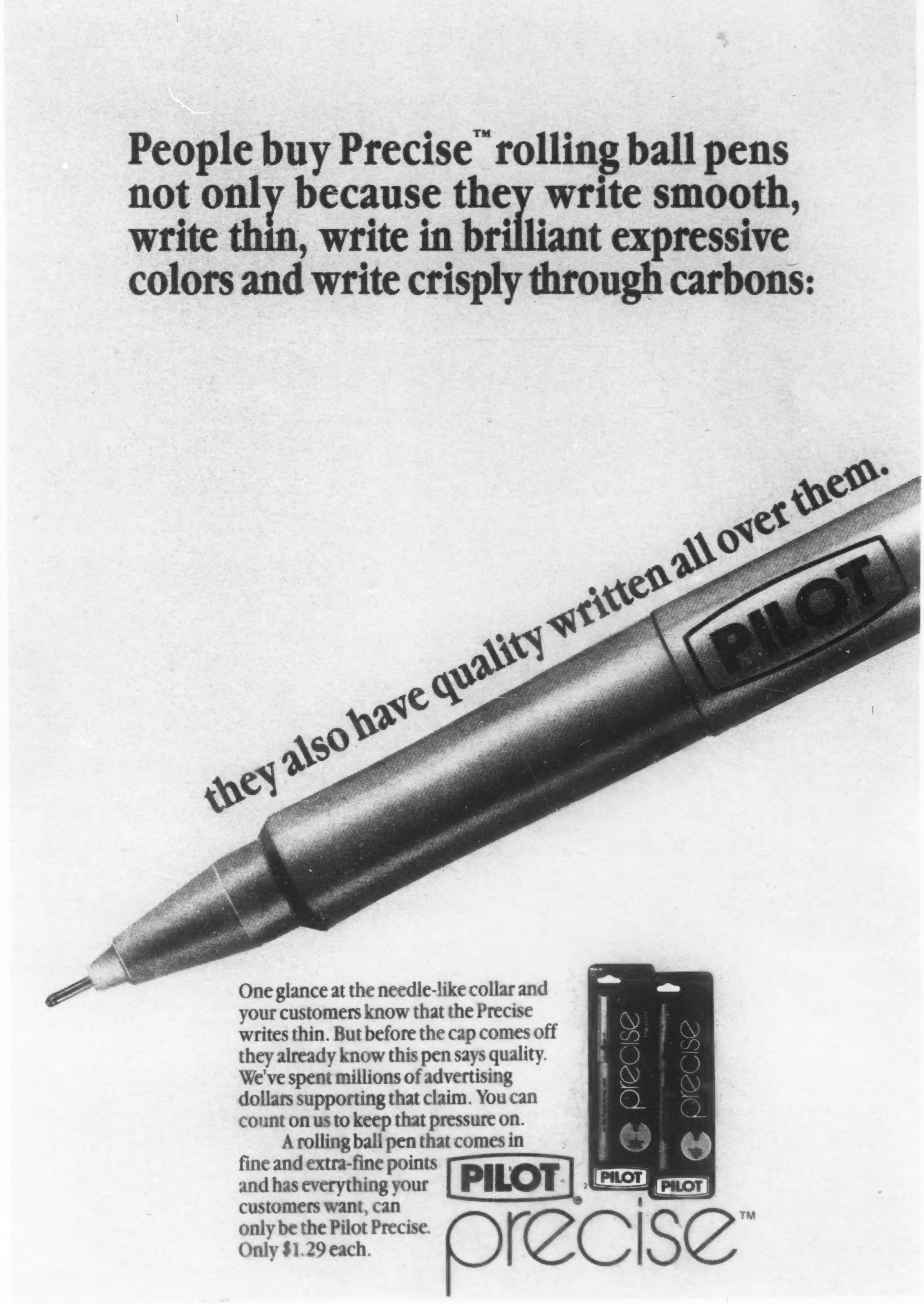
Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Growth Regions

Northeast: 0%
▇ South: 1%
▇▇ North Central: 2%
West: 0%

In stationery, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the North Central—2%.

Source: DSN/*Leo J. Shapiro & Assoc.*



People buy Precise™ rolling ball pens not only because they write smooth, write thin, write in brilliant expressive colors and write crisply through carbons: they also have quality written all over them.

One glance at the needle-like collar and your customers know that the Precise writes thin. But before the cap comes off they already know this pen says quality. We've spent millions of advertising dollars supporting that claim. You can count on us to keep that pressure on.

A rolling ball pen that comes in fine and extra-fine points and has everything your customers want, can only be the Pilot Precise. Only $1.29 each.

PILOT®
precise™

Kodak Still Pictured as Top Photo Brand for Discount Stores

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Kodak	85%	90%	75%
Polaroid	63	72	46
Canon	41	30	64
Minolta	38	31	39
Fuji	9	11	4
3M/Scotch	9	12	1
Pentax	9	11	4
Nikon	8	6	12
Vivitar	3	3	3
Eveready	2	2	3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Kodak	89%	94%	83%	72%
Polaroid	66	71	56	58
Canon	27	37	43	55
Minolta	31	23	37	48
Fuji	4	8	11	11
3M/Scotch	3	17	9	—
Pentax	12	6	6	14
Nikon	15	3	10	7
Vivitar	3	3	2	5
Eveready	1	3	3	2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

When discounters think of photography, they think of Kodak.

The familiar yellow boxes of film, cameras and darkroom supplies project the favorite image by a wide margin among discount store managers when they were asked to name their top brands in the photography category.

The 35mm camera segment continues to gain significant recognition as two Japanese brands—Canon and Minolta—appreciably boosted their already-strong ratings.

Still, the biggest rating jump was for instant photography, now the exclusive property of Polaroid. Last year, Polaroid placed second among photography brands with discounters, being rated a top brand by 48% of store managers. This year, the rating climbed to 63%, a rise linked to its introduction of the improved Time Zero film and cameras.

Following far behind the strong double-digit ratings for Kodak, Polaroid, Canon and Minolta was a virtual three-way tie for fifth place. Fuji, the Japanese film manufacturer; 3M, which introduced a Scotch line of film; and Pentax, a 35mm camera brand, each scored a 9% rating.

For Scotch and Pentax, their ratings were a tribute to the muscle of the two largest discount store chains and, in the case of Scotch, lowered Fuji's rating.

Fuji Competes for Share

Fuji is competing aggressively for a major share of the American film market. Its film packed in green is becoming a familiar sight next to Kodak yellow in chain stores nationally including supermarkets and drug stores, as well as discounters. It suffered a major setback, however, when Wal-Mart, the second largest discount chain, adopted an anti-import policy of dropping foreign goods when a domestic equivalent was available.

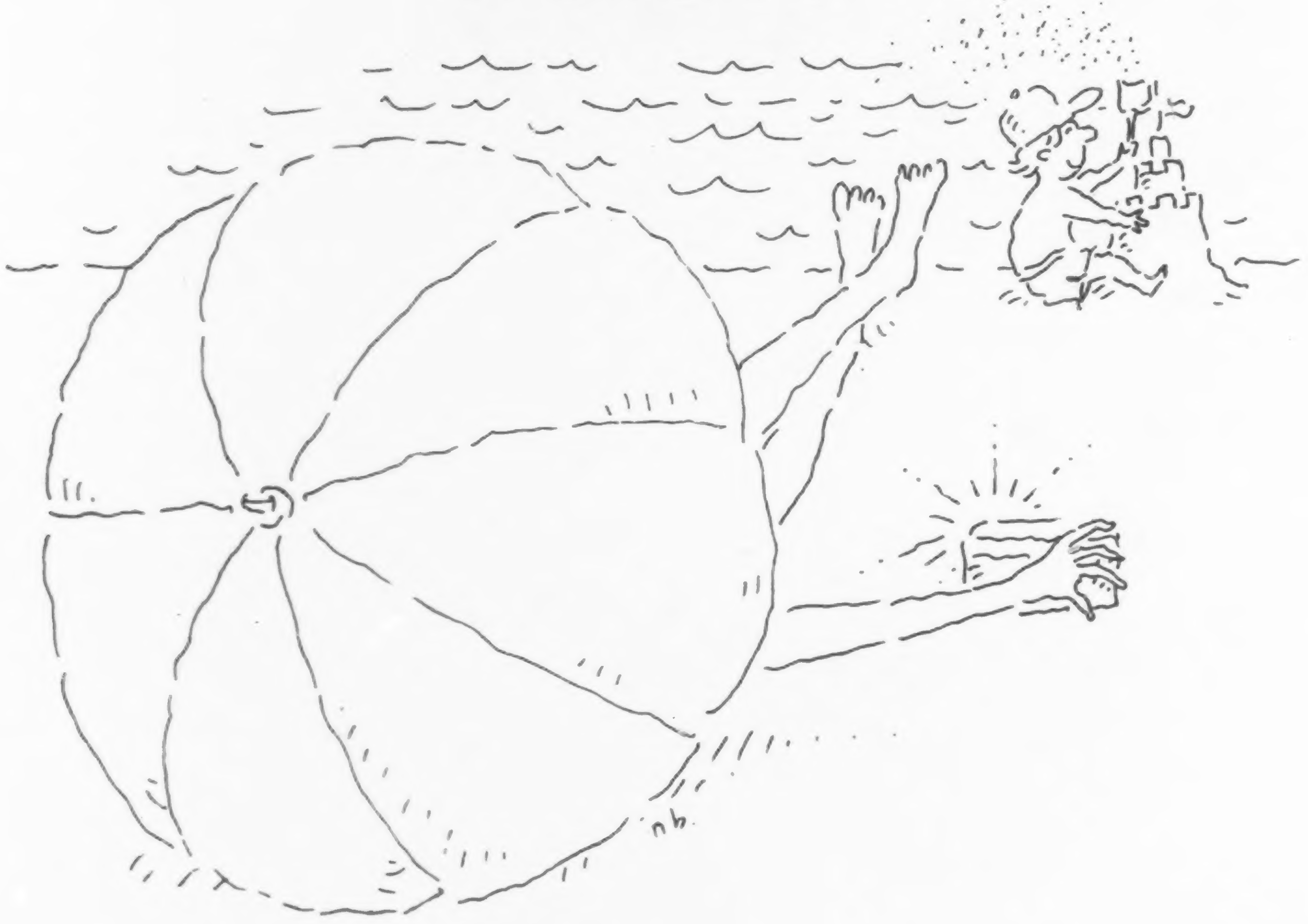
As a result, Fuji was banished from Wal-Mart's 900-plus stores. While Fuji was the loser, 3M, previously a manufacturer of only private-label film, was a big winner. Its new branded film, bearing the trusted Scotch name, was picked up by Wal-Mart as its budget alternative to Kodak and, in its first year, achieved a 67% rating from Wal-Mart managers.

That Fuji's discount store rating declined only two points, to 9% in 1986 from 11% in 1985, is evidence of its growing acceptance among other discounters as a budget brand. Virtually all of Scotch's 9% rating came as a result of its Wal-Mart popularity, while Fuji's Wal-Mart rating plunged from 31% last year to 3%.

K mart, discounting's largest chain, was Pentax's benefactor. The 29% rating for Pentax from K mart managers was the principal reason it achieved 9% overall.

(Continued on page 94)

This Year, Focus on the Leisure Class Like Never Before



Focus on the leisure class with *the* leisure camera—the 35mm compact auto focus INFINITY from Olympus:

- **TOTALLY AUTOMATIC** *Easy to use*
- **WEATHERPROOF** *Goes anywhere*
- **ESP QUICK FLASH** *Fires every second*

More and more photographers want a camera that requires them to do less and less. So make it easy on them. Show them the unique design and styling of the new, totally automatic INFINITY.

Loading, DX-film speed setting, focusing, program exposure, flash, film advance, rewind—and perfect photographs. It's all automatic.

There's never been a lens-shutter camera that "does it all" as well as INFINITY.

QUITE SIMPLY, YOUR MOST SELLABLE COMPACT AUTO FOCUS CAMERA

INFINITY is weatherproof against showers or snow. And its remarkable ESP Quick Flash System, powered by the camera's user-replaceable lithium battery pack, recycles the flash *every second*. The ESP Quick Flash fires automatically whenever flash is needed, even with backlighting. And it keeps flashing that way for up to *5 years* of normal use with a single battery. It's Olympus quality...and economy.

We'll be telling your customers all about INFINITY with powerful TV and print advertising, so...

PUT YOUR AUTO FOCUS SALES ON AUTOMATIC WITH INFINITY

Call your Olympus Sales Representative toll-free, 24 hours a day: 800-631-7777 (in NJ, 800-522-4159.) And enjoy the leisure which you'll be able to afford with INFINITY cameras moving off your shelves, and the profits going to your bottom line.

Olympus Corporation,
Consumer Products Group,
Woodbury, NY 11797.

Infinity
OLYMPUS

OLYMPUS® Infinity

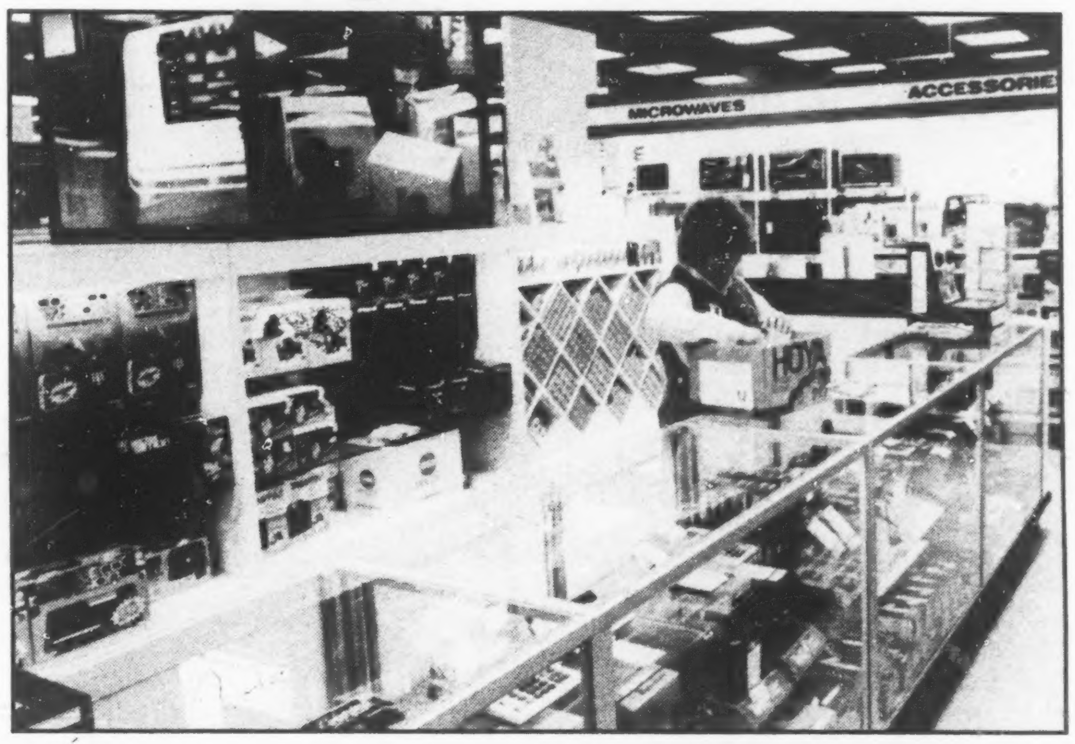
Film Brands Discover It's No Snap to Beat Kodak's Popularity

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Kodak	92%	100%	90%	74%
Polaroid	77	92	70	61
Canon	47	37	4	64
Minolta	55	23	22	37
Fuji*	22	3	—	—
3M/Scotch*	2	67	6	—
Pentax*	29	—	—	—

**Tied for 5th place*

Source: Discount Store News/*Leo J. Shapiro & Assoc.*



This attractive counter display in the camera/photography department at a Nichols store in Md. offers a strong brand mix of film, cameras and accessories. (DSN *photo*)

(Continued from page 92)

Close behind Pentax was the prestigious Nikon brand of cameras, with an 8% rating among discounters overall. As could be expected, Nikon was a more important brand to upscale discounters than to their conventional brethren.

Bringing up the rear among the top 10 photography brands were Vivitar's camera accessories and Eveready batteries, with a 3% and 2% share, respectively.

In achieving its leading 85% rating, Kodak showed particular strength among conventional discounters. Kodak scored a perfect 100% at Wal-Mart and was cited by nine out of 10 conventional store managers as a top brand. Kodak's 75% rating among upscale store managers was challenged by Canon's 64%, even though Canon's third place rating overall of 41% was less than half of Kodak's.

Polaroid, too, was favored in conventional stores where almost three out of four managers cited it, as opposed to less than half of upscale store managers. But while most upscalers gave Polaroid relatively low ratings, it did much better at Target stores, achieving a 61% rating. Again, Wal-Mart was Polaroid's biggest booster, giving the company's unique products a 92% rating as a top brand.

The top-rated 35mm camera line, Canon, exceeded its 41% rating at two of the four highlighted chains—K mart at 47% and Target at 64%. Its Zayre rating of only 4%, however, narrowed its margin over competitor Minolta, whose 38% rating overall placed it fourth among photography brands.

Minolta actually outperformed Canon at giant K mart by eight points, with a 55% rating, although it lagged significantly behind Canon at upscaler Target with a 37% score.

Regionally, Kodak's ratings varied by more than 20 points, from a high of 94% in the South to a still-strong low of 72% in the West.

Polaroid's spread was tighter, with its highest rating also in the South at 71% and lowest in the North Central at 56%. In the West, 35mm cameras are more popular than in other regions. Canon scored a 55% rating among western managers and Minolta, 48%. Canon's weakest region was the Northeast, where it was cited by 27% of discount store managers, while Minolta bottomed at 23% in the South.

Growth Regions

▨ Northeast: 2%

▨ South: 3%

▨ North Central: 1%

West: 0%

In photo/camera, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South—3%.

Source: DSN/*Leo J. Shapiro & Assoc.*

Sure Shot Cameras
High Turnover Leaders from Canon.

Everybody knows how well Canon Sure Shot cameras sell, day in and day out. Easy one-button operation, sharp, clear pictures on 35mm film plus a constant, hard-hitting advertising campaign make Sure Shot Cameras a camera department staple.

The totally automatic Sure Shot Supreme not only loads itself but even decides when you need flash—and fires automatically! The new Sure Shot Tele is just as easy to use and switches from NORMAL to TELEPHOTO at the touch of a button! A built-in soft filter and multiple exposure features provide truly creative effects.

Stock them both. The famous Canon Sure Shot name will make step-up sales a sure thing!

Normal, telephoto plus special effects!

TELE—Reach out and bring subjects up close!

NORMAL—Get the whole scene!

SOFT FOCUS—Great for portraits!

TRICK SHOTS—For more picture-taking fun and creativity.

NEW

- So totally automatic, it even loads itself!
- Normal/Tele lens with one-touch switchover!
- Soft Focus and Multiple Exposure features built-in!
- Built-in flash fires when needed!
- Quartz Date model records date or time directly on film!
- Includes soft case and lithium battery!

Canon SURE SHOT TELE

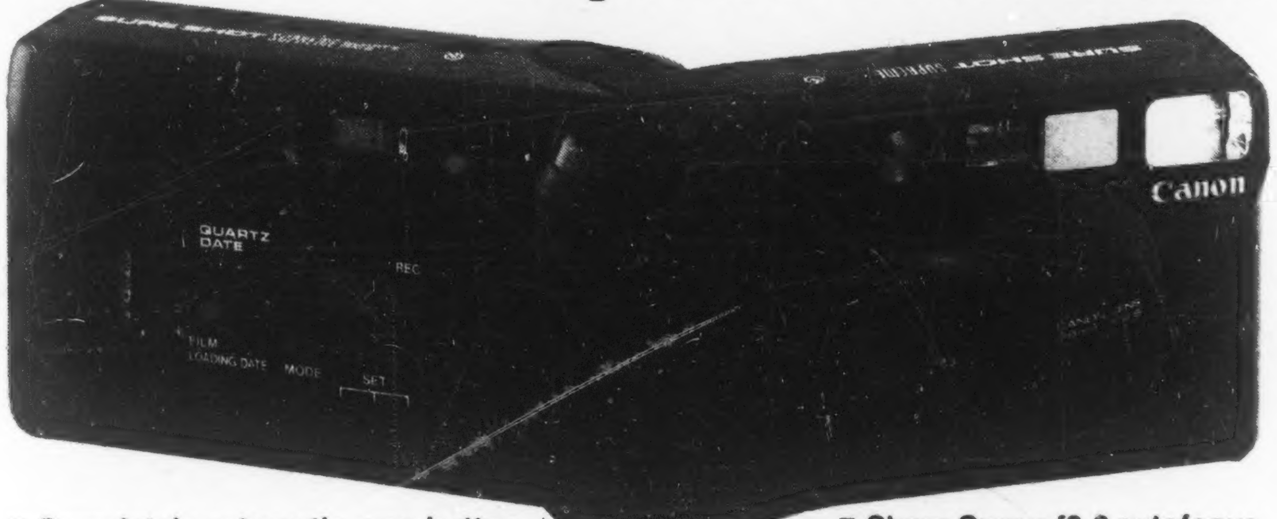
Advertising Support:

TV Commercial

Consumer Ad

Canon Sure Shot cameras are advertised nationally on network and local TV, and in major consumer magazines. A wide variety of display materials is available for in-store use.

Supreme Confidence!



- Completely automatic, one-button operation!
- Lightweight, compact design—fits in a pocket!
- Built-in flash fires when needed—even in daylight for fill-flash!
- Sharp Canon f2.8 autofocus lens—close-ups to 1.8 ft!
- Quartz Date model records date or time directly on film!
- Includes fitted case and lithium battery!

Canon SURE SHOT SUPREME

So advanced, every shot's a sure shot!

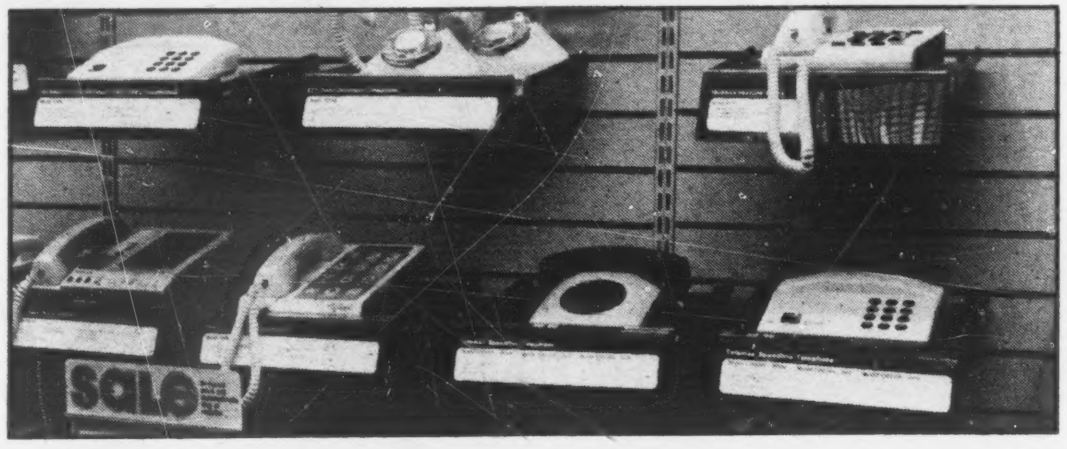
Canon USA, Inc., One Canon Plaza, Lake Success, NY 11042 / 100 Park Blvd., Itasca, IL 60143 / 5625 Oakbrook Parkway, Norcross, GA 30093 / 3200 Regent Blvd., Irving, TX 75063
123 Paularino Ave. East, Costa Mesa, CA 92626 / 4000 Burton Dr., Santa Clara, CA 95054 / Bldg. B-2, 1050 Ala Moana Blvd., Honolulu, HI 96814 / 5701 General Washington Drive, Alexandria, VA 22312 / Canon Canada, Inc., Ontario
© 1986 Canon U.S.A., Inc.

GE Retains Top Consumer Electronics Rank, Despite Slip

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
General Electric	62%	28%	51%	26%
Emerson	20	86	65	30
Panasonic	21	63	3	30
RCA	36	65	—	5
Sony	11	24	25	25

Source: Discount Store News/*Leo J. Shapiro & Assoc.*



Bradlees is tapping into the telephone market with an expanded assortment of national brands and a more upscale presentation, as shown in the chain's newest prototype. (DSN *photo*)

Nationwide DSN Report

The top consumer electronics brand selected by discount store managers once again was General Electric, although its overall rating slipped slightly in 1986.

Among all discount store managers surveyed, 38% named GE as their top brand, down two percentage points from its 1985 rating of 40%.

Emerson and Panasonic swapped their number two and number three positions, with Emerson rising from the third spot with a 26% rating last year to second with 36%, right behind GE. Panasonic, which in 1985 had a 32% rating, dropped to the third-highest-regarded brand with a 28% rating.

Emerson's aggressive consumer electronics marketing campaign has resulted in its breathing down GE's neck, discount store managers indicated. Both brands scored higher among managers of conventional stores than upscale stores, while Emerson held a slight lead over General Electric among upscalers.

Among all discount store managers surveyed, 38% named GE as their top brand, down two points.

While GE and Emerson were clear favorites at conventional stores, no single brand was dominant among upscalers. Panasonic won the highest rating with 28%, but five of the 10 top brands overall were bunched in the 20% range among upscalers, with a sixth poised at the brink at 19%.

In this, the fourth annual *DSN* survey, General Electric was cited as a top brand by 46% of conventional discounters and Emerson by 40%. When managers of upscale stores were polled, GE's ranking dropped by more than half to 22%. Emerson dipped 14 points to 26%, still one of the highest scores in that segment.

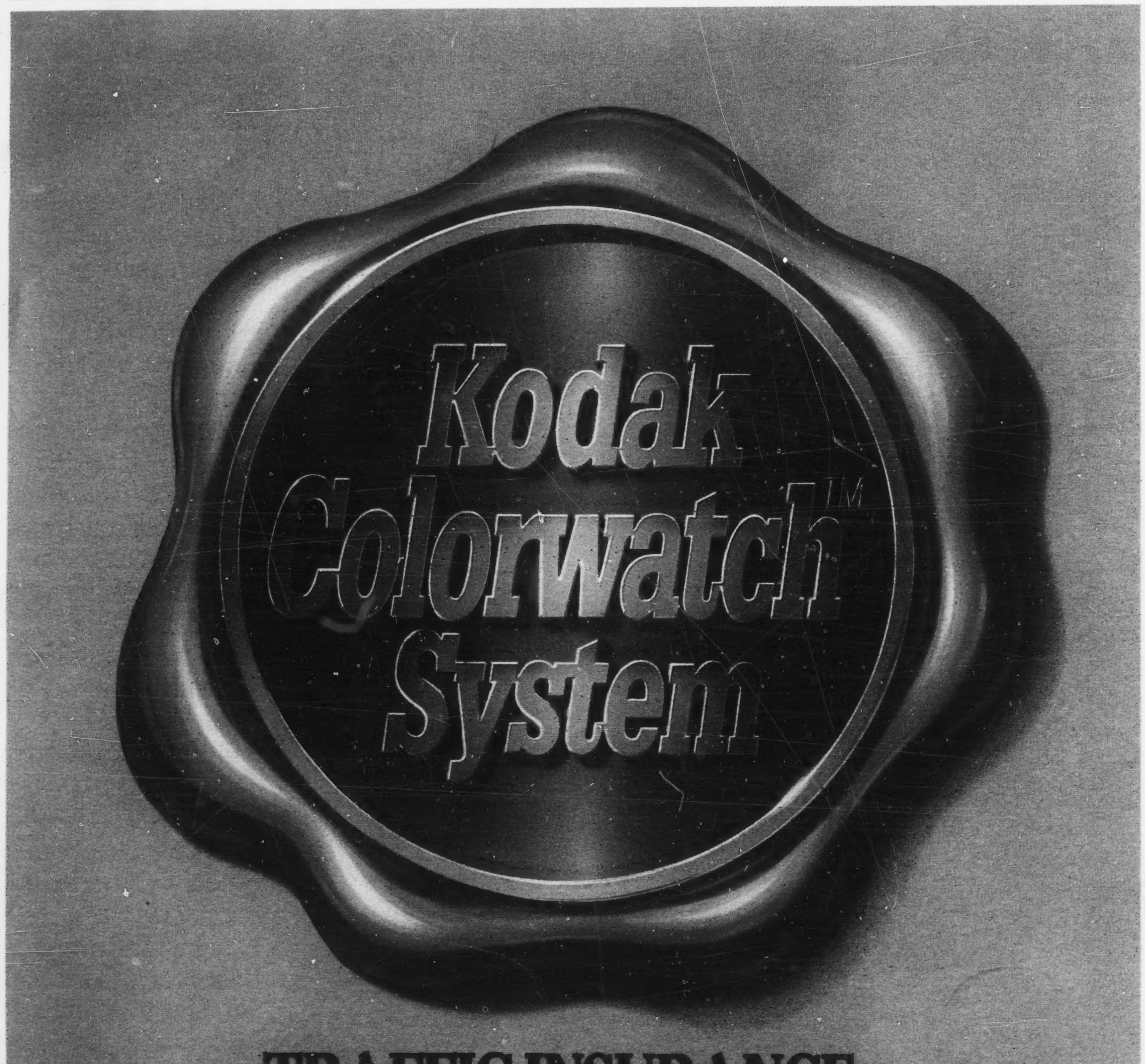
Third-place Panasonic was equally highly regarded by managers of both types of stores, scoring with 29% of conventionals and winning the close race among upscalers with 28%.

Rounding out the top five brands, fourth-place RCA was clearly preferred at conventional stores, although Sony fared best with upscalers.

RCA's overall rating of 21% was achieved when one out of four managers at conventional stores said it was a top brand. Only one in eight, or 12.5%, of upscale managers chose RCA. Conversely, Sony scored with only 14% of the conventionals but was among the leaders at upscale stores with 26%, giving it an overall rating of 18%.

Close behind Sony at 17%, Sharp showed a similar pattern. While also scoring only

(Continued on page 98)



TRAFFIC INSURANCE.

Millions of consumers have seen this seal in Kodak's biggest TV and print advertising campaign ever for photofinishing, and they're looking for retail outlets that display it.

To them, the Kodak Colorwatch system is memory insurance—the assurance that their film is developed on Kodak paper, with Kodak chemicals, and that Kodak's Technet™ center is used for computerized quality control.

To you, it's traffic insurance.

And the opportunity for impulse purchases. Satisfied customers. And repeat business.

To find out all the benefits of choosing a finisher on the Kodak Colorwatch system, call:
1 800 445-6325, Ext 180.
Or, mail the coupon.

EASTMAN KODAK COMPANY
DEPT. DKJ
343 STATE STREET
ROCHESTER, NY 14650

I want more information about the Kodak Colorwatch system. (R)
☐ Please send literature.
☐ Please have a representative call.

Name ____
Title ____
Company ____
Address ____
City ____
State ____ ZIP ____

Kodak

© Eastman Kodak Company, 1986

GE Slips But Holds Onto Its Number One Rank with Chains

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
General Electric	38%	46%	22%
Emerson	36	40	26
Panasonic	28	29	28
RCA	21	25	12
Sony	18	14	26
Sharp	17	14	24
Soundesign	14	18	5
Sanyo	12	9	19
Gold Star	12	17	2
AT&T	11	11	9

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
General Electric	37%	38%	41%	35%
Emerson	31	51	35	17
Panasonic	38	34	22	21
RCA	22	27	15	19
Sony	20	15	21	17
Sharp	30	12	12	22
Soundesign	10	22	12	8
Sanyo	8	12	13	15
Gold Star	15	10	11	12
AT&T	12	14	6	11

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

(Continued from page 96)

14% with conventional store managers, Sharp jumped 10 points to 24% when upscale store managers were polled.

The last four finishers among the top 10 brands placed between the 11% scored by number 10 AT&T and Soundesign's 14% rating.

Soundesign, a long-established budget brand, scored better among conventionals, as did ninth-place Gold Star, the Korean line of low-priced consumer electronics. Soundesign was a top brand for 18% of conventionals polled, and Gold Star shone for 17%. But when upscale managers were surveyed, the brands scored only 5% and 2%, respectively.

Eighth-place Sanyo did better at upscale stores, however, just missing the 20% plateau with a 19% rating. In contrast, its score at conventional stores was 9%.

The tenth brand, AT&T, like Panasonic, showed virtually identical strength at both types of stores. Its score among conventional store managers was 11% and stood at 9% at upscale stores.

Conspicuously, no computer brand reached the top 10 in 1986. In *DSN's* first survey in 1983, discounters' high expectations for computers led them to give Atari a 73% rating as the top consumer electronics brand, by far the highest score ever attained in the CE category. Joining Atari among the top 10 brands that year were two other computer names, Texas Instruments and Commodore.

In just a year, Atari's balloon was rapidly deflating, but it still garnered a 32% rating in 1984 to place it second overall to Commodore's 38%.

Last year, the only survivor on the top 10 list was Commodore, which placed seventh with a score of 15%. In 1986, Commodore again was the highest-ranked computer brand, but it placed only fifteenth on the list of consumer electronics brands, with a 5% rating.

Among 1986's top 10, number one General Electric showed particular strength at K mart and Zayre, among the chains highlighted, with ratings of 62% and 51%, respec-

(Continued on page 101)

MEMOREX
Kodak
Scotch

As the VCR market continues to boom, competition among brands for a piece of the tape business is also intensifying as exemplified by this K mart store display. (DSN *photo*)

COMPLETE SIGNING SYSTEMS!
sale
REG $75.00
NOW $53.95
NEW ITEM
$12.50
SALE
$43.99
everyday low price
special
as advertised
REG $24.99
NOW $18.99
clearance
$19.95
new item
$12.95
CLEARANCE
JUST ARRIVED
AS ADVERTISED
REG $35.00
NOW $24.95
SPECIAL
20%
$5.95
Off
csp

Central Sales Promotions, Inc.
The nations most complete line of retail sales promotion and pricing accessories.
Call or write for free catalogs.
1-800-654-8435
P.O. Box 53444 • Oklahoma City, OK 73152

RCA
ColorTrak
Sony Tape

Newmark & Lewis and other ce specialists have laid claim to the big-screen television market. Customers are interested in higher-priced electronics. (DSN *photo*)

ELECTRONICS
ELECTRONICS

Best is attracting traffic to its consumer electronics department by showcasing lifestyle furniture side by side with televisions and VCRs. (DSN *photo*)

Emerson Runs Strong Second Behind GE Lead

(Continued from page 98)

tively. Emerson also did well at Zayre, with a 65% rating, but it was powerful at Wal-Mart with an 86% rating.

Wal-Mart managers also gave high marks to Panasonic and RCA at 63% and 65%. Target managers, however, were more reserved in their ratings, scoring four of top five brands between 25% and 30% and awarding RCA a 5% score.

Regionally, GE scores were relatively consistent, ranging from a low of 35% in the West to a high of 41% in the North Central, both extremes within three points of its national score.

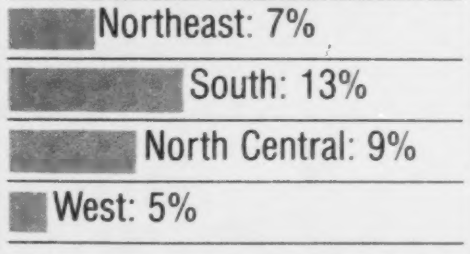
In comparison, Emerson showed significant regional differences. In the West, it was cited by only 17% of discount store managers, while in the South, it scored the highest regional rating of any brand, with a 51% score.

Other brands that also displayed regional variations were Panasonic and Sharp.

Panasonic's strength was in the Northeast and South, where it was rated a top brand by 38% and 35% of managers, respectively. In the West, the score dipped to 21%, and in the North Central, it was only slightly better at 22%.

Sharp's best performance was in the Northeast, where it got a 30% rating. In the South and North Central regions, it fell to a 12% rating, while in the western region, it fell between those two extremes with a 22% score.

Growth Regions



In consumer electronics, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the South —13%.

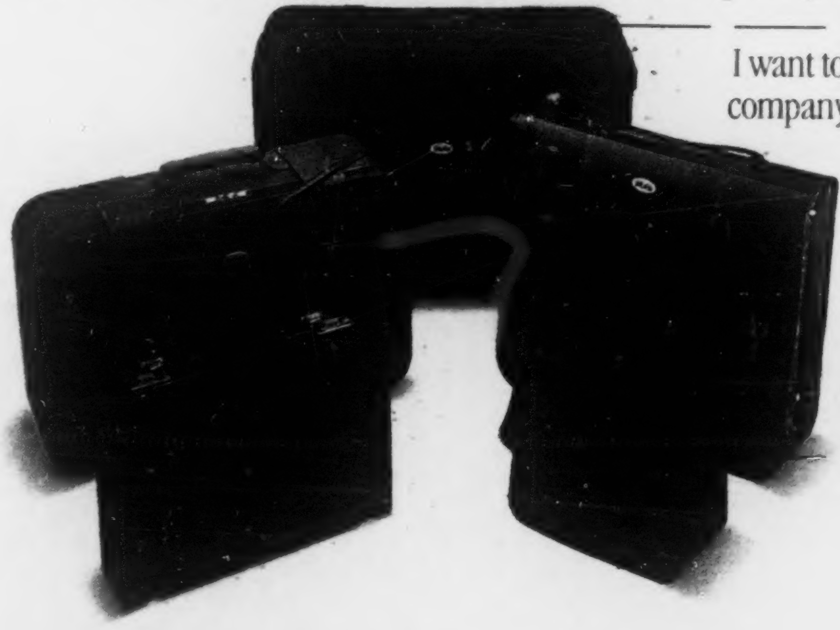
Source: DSN/Leo J. Shapiro & Assoc.

For 34 years, Europeans have known our name.

Now Americans can find out why.

What's in a name? Plenty. Especially if the name happens to be Tauro. It's one of the most respected names on the Continent. And now you can find out all about this incredible line of luggage with the incredible low price. Just drop us your name.

TAURO™



I want to know all about the Tauro name. Here's my name. And my company's name. Call me and I'll name a time we can get together.

Name__________
Address__________
City/State/Zip__________
Telephone__________
SEND TO: DSN-10
TAURO INTERNATIONAL, INC., P.O. BOX 39041, DENVER, CO 80239

© 1986 Tauro International, Inc.

Motor Oil Brands Dominate Chain Top 10 Automotives' List

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Quaker State	57%	60%	51%
Pennzoil	35	42	22
Fram	31	27	38
Prestone	25	27	20
Havoline	16	22	4
STP	12	12	12
Valvoline	12	11	13
Champion	11	10	13
AC-Delco	11	6	21
Castrol	10	8	14

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Quaker State	60%	64%	59%	41%
Pennzoil	10	41	37	47
Fram	31	30	31	32
Prestone	37	29	21	12
Havoline	3	33	9	14
STP	11	17	7	12
Valvoline	4	12	22	1
Champion	6	11	10	17
AC-Delco	9	10	14	11
Castrol	18	12	3	10

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

Motor oils dominate the list of 10 top brands in discounters' automotive departments.

Three of the top five brands in the minds of store managers were motor oils—led again by Quaker State and Pennzoil. Two additional oils appear on the list to give motor oils half of the spots on the list.

The win, place and show positions in the automotive rankings were a repeat of 1985's performance, with Quaker State leading the way, followed by Pennzoil and Fram filters.

Quaker State and Fram both improved on their 1985 scores. The leading oil was named a top brand by 57% of the discount store managers polled, against 49% last year. Fram's score rose to 31% from 20%. Pennzoil held steady with a 35% rating.

Prestone and Havoline both moved up two places, whereas STP and Valvoline dropped two.

Prestone was selected as a top brand by a fourth of the store managers in the survey, an increase from 16% last year. Havoline, Texaco's oil brand, rose only a point to 16%, but that was good enough for fifth place because STP and Valvoline both scored with fewer managers than in 1985.

STP and Valvoline, which last year tied for fourth place at 18%, this year tied for sixth place at 12%. Close behind were Champion and AC-Delco, both at 11%, and Castrol at 10%.

Leading Brands Gain

The three leading oil brands—Quaker State, Pennzoil and Havoline—were significantly more popular among conventional discounters, while managers at upscale stores considered aftermarket parts from Fram, Champion and AC-Delco to be more important as top brands.

Pennzoil's rating at conventional stores was 42%, against only 22% at upscale stores. Havoline dropped from 22% among conventionals to 4% at upscalers. The margin was smaller with Quaker State, with managers of conventional stores giving the oil a higher rating by 60% to 51%.

The disparity in the oil ratings likely reflects the more promotional approach to automotives in conventional discount stores. Motor oil is the most highly promotional automotive product category.

Fram headed the list of non-oil brands for both types of discounters and was a top brand for 38% of upscalers but just 27% of conventionals. A greater disparity was evident with AC-Delco, where 21% of upscale store managers named it, but only 6% of conventional store managers agreed. Champion also was more popular with upscalers, but the margin was just three points.

Prestone antifreeze and coolant found more favor at conventional stores by a 27% to 20% margin, another reflection of the promotional posi-

(Continued on page 105)

THIS NEW CHAMPION® BATTERY FITS 90% OF THE CARS ON THE ROAD.

THE CHAMPION
675 Cold-Cranking Amps

There's a new way to give your customers 3 choices, while chopping inventory costs and virtually eliminating stock-outs. It's the new Champion® from GNB and it's a better idea to start with…

3 POWER RATINGS, 3 PRICE POINTS. There's a Champion to fit every price range, from the dependability of the 450 to the raw power of the premium 675. And every Champion fits *both* top and side terminal applications.

BIGGER PROFITS. The combination of reduced inventory and longer margins will yield extra dollars. In fact, your battery profits may almost double.

GNB-BACKED REPLACEMENT WARRANTY.
Our full-year replacement guarantee will get you customers–without costing you a dime. That's because people will recognize the Champion from TV, radio and national print media. They'll know the Champion as the battery that's "guaranteed to start your car."

The Champion line is ready for delivery. Your GNB representative is taking orders now.

So rather than stocking up on 100 or more battery models, stock *down* with the Champion, the new premium battery line from GNB.

SO DOES THIS ONE…

THE CHAMPION 550
550 Cold-Cranking Amps

AND THIS ONE.

You can depend on
Champion
Champion
675
Champion
550
Champion
450

ADVERTISING AND MERCHANDISING SUPPORT
Our attractive P.O.P. displays build sales, while our complete co-op program lets your store get directly involved in our aggressive national advertising campaign.*

THE CHAMPION 450
450 Cold-Cranking Amps

To get all the details, call
1-800-447-4700
and be sure to ask about the
Champion "Stock-Down, Start-Up Special."

GNB Incorporated

Champion is a registered trademark of GNB Incorporated ©1986 GNB Incorporated
*Displays may differ

Quaker State, Pennzoil Lead Discounter Automotive Top 10

(Continued from page 102)

tion of antifreeze products. STP additive and Valvoline oil scored consistently with both types of discounters. Castrol fared better with upscalers, perhaps a reflection of that oil brand's premium image.

When the leading five brands' performance was examined at four major discount chains, Quaker State was seen to be an exceptionally important brand to Zayre and Wal-Mart managers. The Zayre score of 87% and Wal-Mart's 84% far exceeded the scores at K mart and Target.

Wal-Mart managers rated all three of the oils in the top five as important brands. Both Pennzoil and Havoline achieved their highest scores at discounting's second-largest chain, with ratings of 69% and 50% respectively.

Pennzoil also was a favorite at the industry's largest chain, K mart, with a 52% rating. Its Target rating was strong at 33%, but the brand received little support among Zayre managers, where only 4% considered it a leading product.

Fram was a strong name for both Zayre and Target managers, with ratings of 51% and 49%. The brand also scored well at Wal-Mart with 37%, but its K mart rating dipped to 19%.

Brands Score at Wal-Mart

Wal-Mart also gave Prestone a high score with 48%. The two other conventional chains highlighted, K mart and Zayre, were in line with the 25% industry average, while its rate of mention at Target slipped below one-in-five managers.

None of the other three chains approached the 50% rating Wal-Mart awarded Havoline. The Texaco brand received scores in the 20% range at the two other conventional chains but was cited by only one-in-eight managers at upscale Target.

Regionally, Quaker State was weakest and Pennzoil strongest in the West. While scoring in the 60% range in the other three regions, Quaker State was chosen by 41% of western discount store managers.

With a 47% rating in the West, Pennzoil slipped to 10% in the Northeast, a score unaided by Zayre's extremely low rating.

Fram's regional scores were tightly bunched, with a low of 30% in the South and a high of 32% in the West. Prestone did best in the cold-climate Northeast at 37%, but its next highest score was 29% in the warm-weather South. The antifreeze's lowest rating was 12% in the West.

Havoline received a very low 3% rate of mention in the Northeast but zoomed to 33% in the South, aided significantly by its support from Wal-Mart.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Quaker State	55%	84%	87%	57%
Pennzoil	52	69	4	33
Fram	19	37	51	49
Prestone	25	48	27	18
Havoline	20	50	19	12

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Fueling automotive department traffic were top motor oil brands Quaker State and Pennzoil. These brands achieved prominence at stores like Bradlees, Rockville, Md. (DSN *photo*)

Growth Regions

▬ Northeast: 2%
▬▬▬ South: 5%
▬▬▬ North Central: 5%
West: 0%

In automotive, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the North Central and South, both 5%.

Source: DSN/*Leo J. Shapiro & Assoc.*

5/24/85 12:00 PM 10101
APPROVED UP TO $200
123
12-345
6789
19
JOHN JOHNSON
SUSAN JOHNSON
PAY TO THE ORDER OF
The Bank of Your City
1234 Main Street, Your City
⑆067890034⑆ 1026⑈43 210⑈ 0123
IBM

For store management:

IBM offers check approval you'll approve of.

The IBM 4730 Personal Banking Machine authorizes customer checks so you won't have to.

Presenting the IBM 4730 Personal Banking Machine. It can help stores authorize customer checks.

The customer simply inserts a blank check into the machine. The IBM 4730 reads the check's MICR line—the line that identifies the account number and bank—and verifies that the customer's account balance is sufficient to cover your store's check-cashing limit. Then the machine prints an authorization message on the face of the check and returns it to the customer.

HASSLE-FREE CHECK CASHING

This direct link to your customers' banks can help reduce your risk of bad checks.

What's more, by taking check authorization out of your checkout lines, the IBM 4730 increases cashier productivity, reduces customer waiting time and frees up the store manager.

MORE SERVICES TO CHECK OUT

The IBM 4730 Personal Banking Machine can also perform all the services offered by automatic teller machines, including bank withdrawals, deposits, inquiries and transfers. In addition, the IBM 4730 can dispense up to five currency and four coin denominations. So customers can cash payroll or government checks in exact amounts. And your store can cash in on more traffic.

Available in four different models, the IBM 4730 can accommodate various store layouts. And every model is backed by IBM service and support.

To have an IBM marketing representative contact you or to receive a brochure, call 1 800 IBM-2468, Ext. 935, or send in the coupon.

IBM
DRM, Dept. LF/935
400 Parson's Pond Dr.
Franklin Lakes, NJ 07417
10/13

☐ Please send me a brochure on the IBM 4730 Personal Banking Machine.
☐ Please have an IBM marketing representative contact me.

Name________
Title________ Phone________
Company________
Address________
City________ State____ Zip____

Black & Decker, Stanley Further Outpace Competition in '86

Top Brands Vary by Type of Outlet

Brands	All Discounters	Conventional Discounters	Upscale Discounters
Black & Decker	78%	79%	78%
Stanley	73	77	65
General Electric	10	7	17
Lucite	6	7	5
Skil	6	6	7
Glidden	5	2	12
Hirsh	3	1	6
Great Neck	3	4	—
Homelite	3	4	—
Du Pont	2	3	1

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands' Performance by Region

Brands	Northeast	South	North Central	West
Black & Decker	78%	80%	77%	79%
Stanley	79	73	71	70
General Electric	10	12	9	10
Lucite	9	7	6	4
Skil	—	3	3	22
Glidden	—	6	9	3
Hirsh	3	1	7	—
Great Neck	4	3	3	1
Homelite	1	4	2	1
Du Pont	5	2	2	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

More than a century ago, during the first race for what became known as the America's Cup, Queen Victoria is said to have asked which boat finished second to the overpowering Yankee yacht.

"Ma'am, there is no second," is the reply she is said to have received.

For the fourth consecutive year, that answer could be paraphrased to fit the question of what is the third-rated hardware brand in the opinion of discount store managers.

Black & Decker and Stanley have been leagues ahead of all other hardware brands in the perception of store managers since the survey was begun in 1983. Last year, Black & Decker took the top spot with a 69% rating followed by Stanley with 61%. Glidden placed third with a 15% rating, a margin of more than four to one between second and third place.

Improve Ratings

This year, Black & Decker and Stanley both improved their ratings, at 78% and 73% respectively, while their nearest competition for the esteem of store managers fell further back. General Electric was the third-place finisher this year with a 10% rating—one mention as a top brand from every 10 store managers responding—a margin of more than seven to one between second and third place.

Besides the overwhelming dominance of Black & Decker and Stanley, another significant result in the 1986 survey was the slippage of Glidden as a top brand in the managers' perceptions. From its number three position as a hardware brand last year with a 15% rating, Glidden dropped to sixth place with only a 5% rating. As a paint brand, it was edged out by Lucite with a 6% rating. Lucite also slipped in the ratings although only from 8% in 1985.

Virtually all other hardware brands showed negligible gains or losses.

The dominance of Black & Decker and Stanley falls across-the-board. Black & Decker received a 79% rating at conventional discounters including an enormous 95% rating among Wal-Mart managers and a 78% rating among upscale discounters. Its strength was uniform regionally as well, running from a low of 77% in the North Cen-

(Continued on page 110)

Growth Regions

▨ Northeast: 13%
▨ South: 14%
▨ North Central: 14%
West: 0%

In hardware, the most discount store managers citing an increase in the number of brands carried (1986 vs. 1985) were in the North Central and South, both—14%.

Source: DSN/*Leo J. Shapiro & Assoc.*

THE DURO DIFFERENCE

Product pull through without the rebate coupon hassle

With a DURO™ Pad Buster Rebate, there are no rebate pads to handle, so you'll get faster product turns with less effort.

The rebate offer right on the package means high impact at point-of-sale.

SUPER GLUE BONUS PACK
PAD BUSTER PROMOTION

$1.00 Cash Back
SUPER BONUS PACK
MADE IN USA
DURO
SUPER GLUE
Super Strong
Super Fast
Bonds in Seconds
ONE DROP DOES THE
2 TUBES
.14 FL. OZ. (4 GRAMS) TOTAL

PAD BUSTER
REBATE

- Two tubes of DURO™ Super Glue on one package.
- $1.00 cash back consumer mail-in offer.
- Rebate information printed right on the package.
- Available in open stock or pre-pack floor displays.

Loctite Corporation
Automotive and Consumer Group
Cleveland, Ohio 44128

Duro is a TM of Loctite Corp. © 1986

Top Two Brands Remain Leagues Ahead of Competitors

(Continued from page 106)

tral region to a high of 80% in the South.

Stanley displayed a bit more deviation, almost equaling Black & Decker with 77% among conventional discounters but dropping to 65% among upscale managers. Third-place General Electric did better with upscalers at 17%, narrowing the margin to just less than four to one.

> ***Stanley displayed a bit more deviation, almost equaling Black & Decker with 77% among conventional discounters but dropping to 65% among upscale managers.***

Among the chains spotlighted, Stanley outperformed Black & Decker at Wal-Mart, being cited as a top brand by fully 98% of Wal-Mart managers. Its weakest ranking was at Target, where its 69% rating still managed a three-to-one margin over General Electric's 23%. GE's very creditable rating at Target was its best performance in the survey breakout.

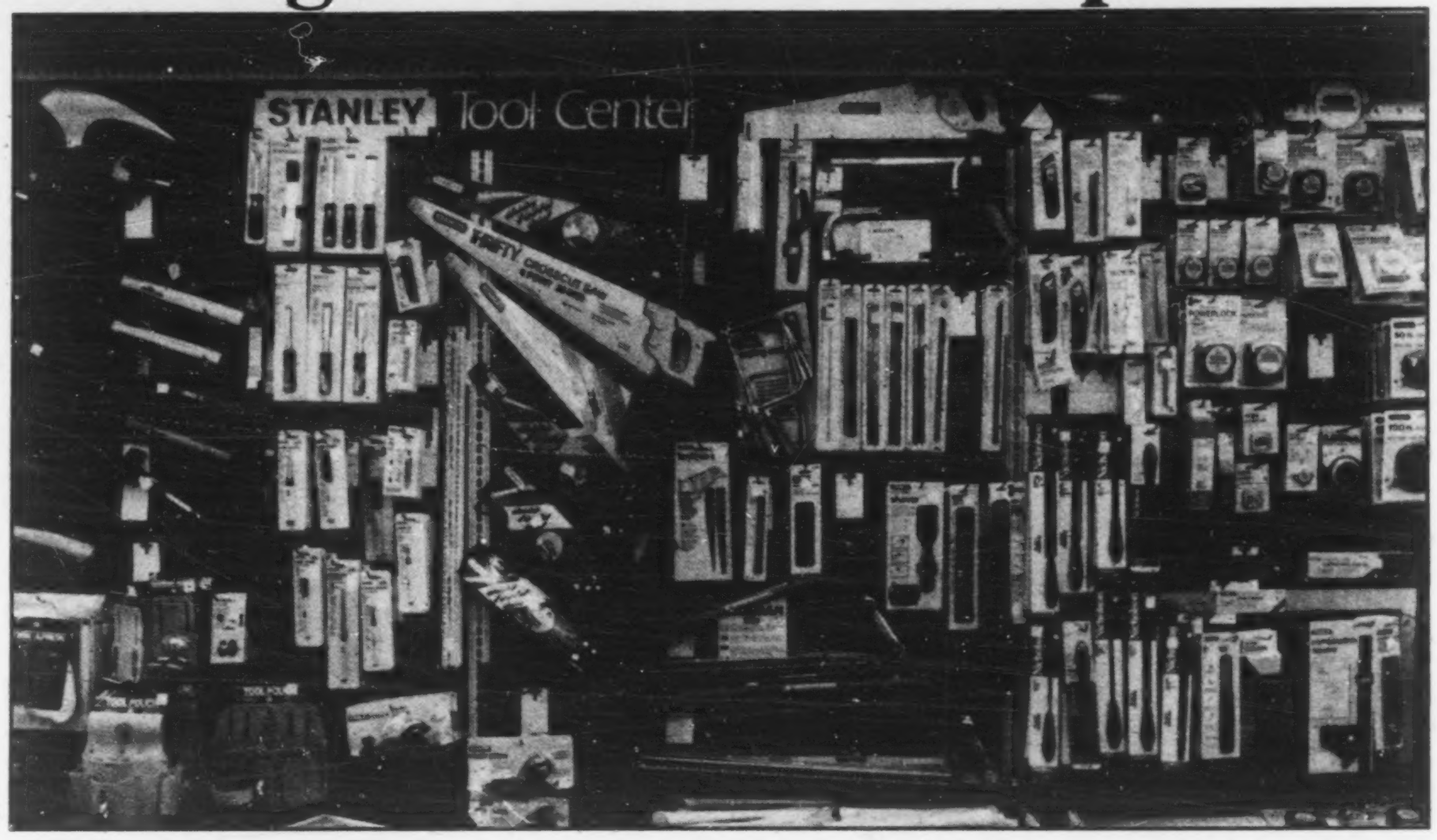
Overall, General Electric fared significantly better with managers of upscale stores than with conventional discounters, scoring a 17% rating against 7%, respectively.

Regionally, both Stanley and General Electric displayed little fluctuation, although Stanley showed a bit more muscle in the Northeast than in the other three regions. In the Northeast, Stanley was rated at 79%, while in the other regions, its ratings were bunched from 70% to 73%. General Electric's lowest rating was 9% in the North Central region and its highest was 12% in the South.

The only other hardware brands to receive a double-digit rating in any of the breakouts were Glidden, Lucite and Skil. Glidden achieved a 12% rating from upscale discounters nationally, but its low 2% rating from conventional stores dragged its overall showing to 5%. A significant factor in Glidden's higher rating among upscalers was its high regard at Target stores. There, managers cited it as a top brand 36% of the time.

Lucite varied far less in the opinion of most conventional and upscale store managers but was mentioned by 16% of Zayre respondents.

The Skil line of power tools, which placed fifth on the overall list of brands, showed a great degree of regional variation. Skil was cited by none of the store managers polled in the Northeast and by only 3% in the South and North Central regions. In sharp contrast, when managers in the West were polled, Skil got a 22% rating.



Black & Decker and Stanley, whose line of tools is displayed in this Ames store, continue to be the dominant top two brands, respectively, with GE trailing in third place. (DSN photo)

The bottom four among the 10 most frequently cited brands achieved only a 2% and 3% rating among discounters overall. Hirsh finished in the seventh spot overall by virtue of its 6% rating among upscalers. That rating was achieved by virtue of its strength at Target, where it was mentioned by 10% of the managers.

The eighth-place brand was Great Neck, which got all its power from conventional discounters, chiefly giant K mart, where it achieved a 9% rating. Among the four chains highlighted, Great Neck was rated only by K mart and Wal-Mart.

K mart was even more important to Homelite. The Homelite brand received no mention either from upscale store managers or from Wal-Mart and Zayre respondents. But its 8% rating from K mart alone was enough to move it into the top 10 overall.

The tenth-place finisher, Du Pont, edged onto the list with a meager 2% rating, even though neither Wal-Mart nor Target managers cited it.

How Industry's Top 5 Fare at Chains

Brands	K mart	Wal-Mart	Zayre	Target
Black & Decker	79%	95%	81%	83%
Stanley	81	98	85	69
General Electric	5	17	6	23
Lucite	—	8	16	—
Skil	5	6	—	—

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Ted Key
© TED KEY 1986

Hazel says...

"Ordering is a snap with Kirsch ... one free call does it all."

Toll-free ordering and fast deliveries. Kirsch processes your order the next day — guaranteed. Want to know more about Kirsch? **Call toll-free, 1-800-528-1407.**

Kirsch
We do windows

TEFLON II
Reg. TM Cooper Industries, Inc.
TEFLON Reg. TM DuPont Co.

59,000,000 CAR OWNERS ARE LOOKING FOR PARTS.

WE'D BE HAPPY TO SEND SOME TO SEE YOU.

REGISTERED AC-DELCO RETAILER

Over 70% of all the households in the U.S. do some of their own automotive maintenance and repair. Thousands of them call us every month at 1-800-AC-DELCO for information on where to buy AC Spark Plugs, AC Oil and Air Filters, Delco Batteries and Shocks.

We give them the name and address of the Registered AC-Delco Retailer in their area. But we can't give anyone your name unless you're stocking AC-Delco products and are registered. So do it now!

Contact your AC-Delco representative for details. And open the door to countless automotive do-it-yourselfers with automotive parts on their minds and cash in their pockets.

AC GM Delco
General Motors Corporation

AC-Delco. The smart parts.

10/27/86 C 5150-3

Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

VOL. 25, NO. 21

Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc.

$2 per copy
October 27, 1986

Heck's Board OKs Sale to N. Y. Group

NEW YORK — Heck's board has approved the sale of the company for $145 million to the Toussie-Viner Investment Group, leading to what could be a national, rather than regional, market orientation under its new owners.

Robert I. Toussie, who led the investment group, said the future of Heck's will include developing the regional, rural discounter into a national chain.

The first step, Toussie is getting Heck's back on its feet "as a premier regional retailer." Over the next two years,

(Continued on page 58)

As part of its plans to strengthen Heck's following acquisition, the Toussie-Viner Group said it intends to expand the apparel departments of the chain. (Proctorville, Ohio).

K mart Asks Supreme Court To Preserve the Gray Market

WASHINGTON — Attorneys for K mart called on the U.S. Supreme Court to override a Federal appeals panel ruling that it says threatens to choke off supplies of low-priced "parallel imports" to the nation's discount stores.

K mart's appeal—which will at least temporarily protect the right of independent importers to compete with U.S. marketing subsidiaries of foreign manufacturers—was filed only hours before the scheduled implementation of the appeals court order invalidating the Customs Service's "gray market" rules.

In urging the High Court to preserve the $6 billion U.S. market for parallel imports, the chain warned that "American consumers will annually pay hundreds of millions of

(Continued on page 58)

Crazy Eddie Beats All Retailers By Pioneering TV Home Shopping

NEW YORK — Crazy Eddie became the first traditional retailer to offer a TV merchandising program when it started to test market at press time the "Crazy Eddie World of Home Entertainment Shopping Network."

That effort was part of a diverse TV and mail order merchandising program that also includes advertising on the ESPN and CNN channels on cable TV and running on Sundays full page ads in the national edition of *The New York Times*.

A company spokesman said the electronics chain was committed to retail stores as its core business. "TV and mail order are low-cost, limited risk enhancements of our business."

(Continued on page 58)

Gemco Runs out of Luck as Parent Ponders Takeover Bid

DUBLIN, Calif. — Gemco is out. Target is in. And Asher Edelman's efforts to get Lucky Stores have been renewed.

Closing Gemco was part of Lucky's defense against New York investor Edelman's original offer of $35 per share—or a total of $1.79 billion—for Lucky.

At press time Edelman had proposed a new offer of $37 per share, or $1.89 billion.

Lucky chairman John M. Lillie and designated members of the board were planning to meet with Edelman at an undisclosed place in the San Francisco area to discuss the proposal. After that, the entire board was expected to meet without Edelman.

Despite what happens with Lucky stores and Edelman, Gemco discount stores already have gone down as the first casualty.

After turning down Edelman's first offer as inadequate, Lucky closed its 80 Gemco stores and sold 54 of those locations to Target for $374 million.

A company spokeswoman said it will take the rest of this year to liquidate the merchandise already in the stores and in the warehouse. Going out of business sales were scheduled to start late this month.

The only clear winner in the battle for Lucky Stores is Target. By acquiring the Gemco locations, Target will be operating 301 stores in 23 states.

The company announced

(Continued on page 58)

All 80 Gemco discount stores will be closed by the end of the year. The chain's parent Lucky Stores sold 54 of the sites to Target, which will remodel and reopen the stores in mid to late '87.

NMRI's Cornell Study

Discounters Net Sales Hit New High

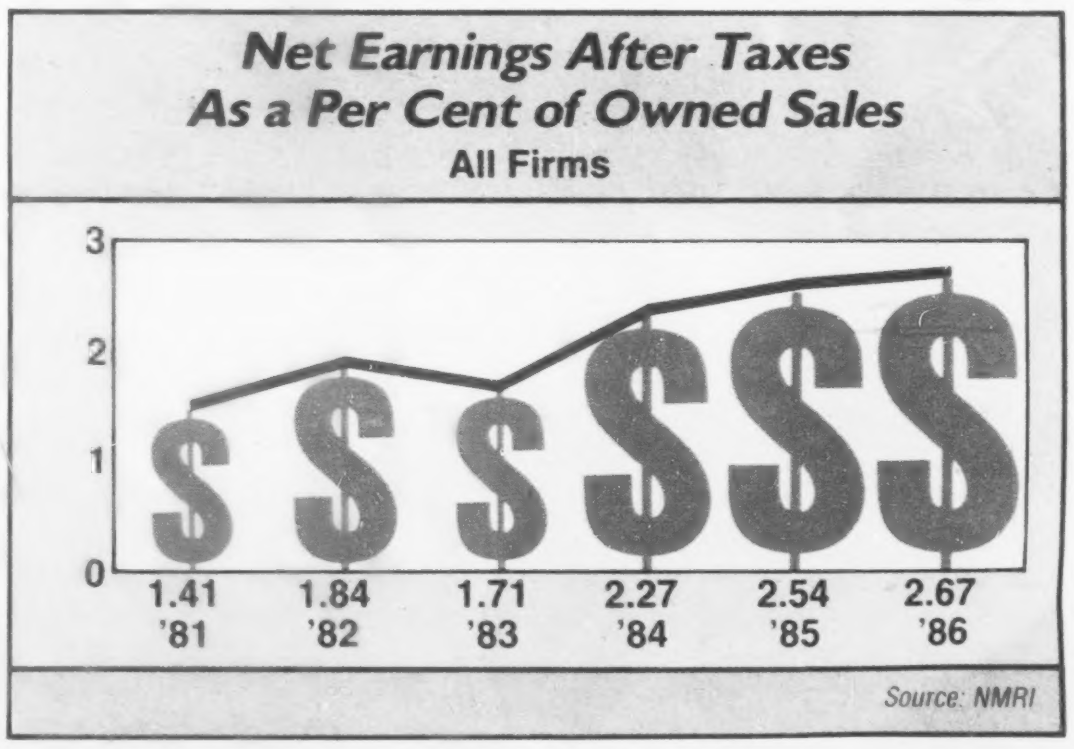
NEW YORK — Discounters continued to perform well in 1985-86 as net earnings after taxes reached a record of 2.67% of sales, reported the annual industry study recently released by the National Mass Retailing Institute (NMRI). It was the third consecutive year in which record percentages for net earnings have been reported.

In addition, the study reported that sales per store and sales per square foot of selling space reached new heights. Average sales per store were $8.3 million, up from $7.5 million in 1984-85. Sales per square foot of selling space increased to $160 from $157 last year.

The positive results of the annual study indicated a strong performance by the discount industry as a whole—despite operational problems encountered by some chains this year—when the economy is stable and consumer spending is up. Retailers are optimistic that 1986 will end on an upbeat note with a strong holiday season forecast.

The 22nd annual study—*Operating Results of Self-Service Discount Department Stores, 1985-86*—was conducted for the NMRI by Cornell University. The statistical report, which gives a discounter the ability to compare its operation with other chains, is based on confidential financial and operating data provided by 27 firms operating 3,162

(Continued on page 57)



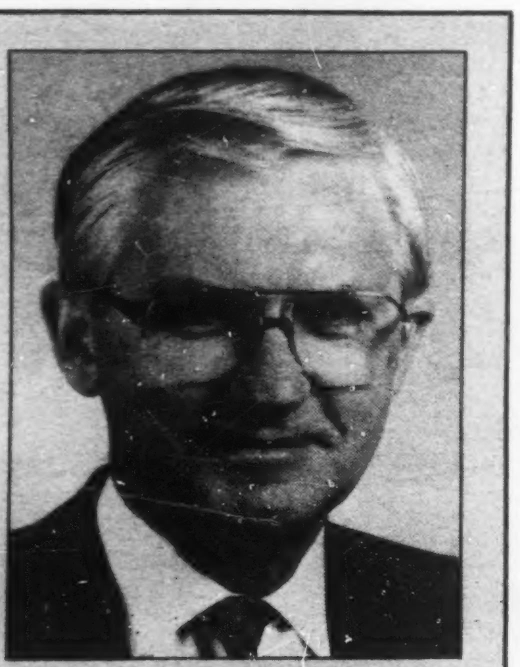
Sporting Goods Apparel Crosses Department Lines —page 42

Gourmet Cookware Sparkles As Housewares' Bright Spot —page 27

New Electronic Toys Provide Christmas Sizzle —page 25

BEST AVAILABLE COPY

Harold E. Sells,
Chairman, ceo,
F. W. Woolworth Co.



Fred E. Hennig,
President, coo,
F. W. Woolworth Co.

Woolworth Names Sells New Chairman, CEO

NEW YORK — Harold E. Sells has been named chairman and chief executive officer of F. W. Woolworth Co., effective Jan. 31, 1987, when John W. Lynn, who currently holds the post, retires.

Fred E. Hennig, who is presently senior vice president for worldwide general merchandise operations, will assume Sells' former position president and chief operating officer upon Lynn's retirement.

Lynn, who has been with Woolworth for 45 years, will continue to serve on the company's board of directors. He was named chairman and ceo in 1982. Under his direction, Woolworth continued to expand into specialty retailing.

Sells has been president since January 1983, when he was promoted from senior vice president, international and property development.

Hennig was named to his present post in February 1984. He had been executive vice president for corporate operations in the Toronto headquarters of Woolworth, Canada,- prior to that appointment.

Antipiracy Feature Would Harm Booming VCR Sales, Retailers Warn

WASHINGTON -- The motion picture industry is pressing Congress to enact early next year antipiracy legislation that retail industry leaders fear may disrupt the booming market for video cassette recorders and blank tape.

Hollywood's proposal—legislation mandating anti-taping circuitry in VCRs to prevent "back-to-back" duplication of pre-recorded tapes—would "chip away" at retail profits and undermine the Supreme Court's recent Betamax decision allowing home video taping, officials from a coalition representing discounters and other retail segments warned Congress.

Testifying before the Senate Judiciary Committee, Home Recording Rights Coalition Attorney Charles D. Ferris said the drive by Motion Picture Association head Jack Valenti to require anti-taping chips in all VCRs not only would increase prices of recorders and software but also would plant a "time bomb" inside each VCR.

"Once such chips are contained in a majority, or substantial number of VCRs, all the programmer need do is throw an encoding switch, and the right to tape is lost," he charged.

Motion picture producers have recommended a "bilateral" system that includes encoding the prerecorded videocassette or disc and equipping the VCR with anti-taping circuitry.

The proposal is "a simple, technological method that will foil back-to-back copying but will not interfere with legitimate uses of the VCR," Valenti said.

Ferris characterized the bilateral system, however, as a "high-tech fulfillment of Mr. Valenti's wish to license every person's VCR."

Before the 1981 Betamax decision allowed home recording of coyprighted TV programs, the movie industry

(Continued on page 57)

Senator Pushes Stopgap Bill To Curb Audio Tape Piracy

WASHINGTON — While Congress was undergoing the first salvos in the back-to-back video taping controversy, Senator John Danforth (R-Mo) was pushing for stop-gap legislation to minimize audio tape piracy.

Warning that Japanese electronic firms plan to flood the U.S. market with digital audio tape recorders (DAT), Danforth called for a 35% duty on any new DAT machines that are not equipped with anti-taping chips.

Acknowledging that his bill is designed to buy time for Congress to pass an anti-copying bill in 1987, Danforth said a deluge of Japanese DATs in the meantime, could cause "a great potential damage to our music industry, and undermine Congress' effort to legislate a permanent solution to the problem."

Danforth said that the European Economic Community already had told the Japanese trade minister informally that the anti-taping chip technology is likely to be required. The senator warned that U.S. failure to act quickly would permit Japanese DATs without anti-piracy safeguards to be diverted from Europe to America.

At press time, the Danforth bill was in the Senate Finance Committee awaiting action in the final days of the 99th Congress.

QUIZ

The DSN *Quiz, testing your knowledge of news and trends in discount retailing covered in our previous two issues, appears on this page monthly. Check your answers with the key on page 57.*

1 *.The first Price Club, Canada warehouse, recently opened, differs from its U.S. counterpart in the following way:*

a) the warehouse is only 50,000-sq.-ft. compared to the 100,000-sq.-ft. standard in the U.S.;

b) the Montreal unit allows nonmembers to shop the warehouse, but imposes a 10% mark-up on the merchandise they purchase;

c) the Canadian club offers different kinds of foods to cater to native tastes.

2.*"With this remodel we've shifted our emphasis more on soft lines," said Al Thompson, Gold Circle's marketing vice president, regarding:*

a) the chain's decision to broaden its domestic department selection to include 50% more merchandise;

b) the nearly 44,000-sq.-ft. of selling space devoted to apparel in its new 88,000-sq.-ft. prototype store;

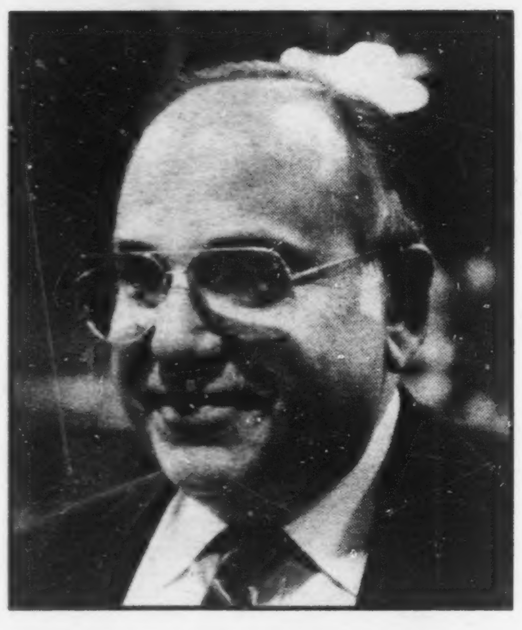
c) the new 1,000-sq.-ft. section devoted to wedding/prom/holiday apparel for juniors in the chain's new prototype store.

3.*The three leading off-price apparel chains this year were:*

a) Marshalls, Filene's Basement, Dress Barn;

b) Marshalls, T.J. Maxx, Ross Stores;

c) T.J. Maxx, Ross Stores, Burlington Coat.



4.*This man is president of a company that plans to open its first Long Island location this month. He is:*

a) Mervyn Weich, BJ's Wholesale Club;

b) Robert E.R. Huntley, Best Products;

c) Jack E. Bush, Rose's Stores.

5.*Wal-Mart announced plans to launch a new chain called Super Centers. They will be:*

a) a joint venture between the discounter and a large fast food chain;

b) a joint venture combining Sam's Wholesale Club with an automotive repair operator;

c) a joint venture of the discounter with a supermarket chain.

6.*The first demographic profile of the cable TV shopper indicated that the typical shopper:*

a) bought one item every two weeks and spent an average of $43;

b) bought one item every month and spent an average of $61;

c) bought one item every six months and spent an average of $150.

4.*Which of the following chains is celebrating its 25th anniversary this year?*

a) Hills;

b) Jamesway;

c) Caldor.

8.*Which two industry associations have planned to merge to form a single trade group?*

a) NMRI and NRMA;

b) AGMC and NRMA;

c) NMRI and AGMC.

9.*Named this year to the Discounting Hall of Fame was:*

a) Sam Walton, Wal-Mart;

b) David Glass, Wal-Mart;

c) Charles Lazarus, Toys "R" Us.

10.*Receiving this year's Discounter of the Year Award was:*

a)Maurice Segall, Zayre;

b)David Glass, Wal-Mart;

c)Arile Lazarus, Jamesway.

11.*In August this year, Zayre Department Stores added something to its men's wear, lingere and infant/toddlers' departments. The element was:*

a) bargain tables for the three apparel categories;

b) 1,000 sq. ft. of selling space in each of these departments;

c) hand knit seasonal sweaters imported from Ireland and Europe for the Christmas season.

12.*Besides Price Savers and PACE, which of these companies has recently threatened membership warehouse club operator, Price Club, in the Los Angeles marketplace?*

a) Biggs Hypermarket;

b) Wal-Mart Super Centers;

c) Costco.

SOFT LINES
HEALTH-TEX
ADIDAS
MOOR

Kids Mart Pushes Eastward

Children's clothing off-pricer Kids Mart has embarked on a rapid expansion trail that will move the California-based division of Woolworth into East Coast markets by the end of the decade. Ron Berens, a Woolworth veteran recently appointed president of the chain, outlined his strategies to sell brand name kids sportswear through a nationwide chain.

INDEX

At the Source 48
Catalog Showroom News 10
Classified 54-56
Discounter Management Development Series 42
Editorial 6
Electronic Retailing 4
Executive Changes 13
Housewares Show 27
Housewares: At the Source 35-38
Housewares: Product Movement Audit 33-34
Legislative Update 10
Prevention Pays 41
Soft Lines 15
Sporting Goods 42
Stock Update 46
Toys 25

Housewares

Gourmet Cookware Growth Expected as Buyers Head to Show

Nationwide DSN Report

Discount store and catalog showroom housewares merchandisers who seek to trade up their assortments, should keep an eye on gourmet cookware and housewares when they shop the National Housewares Manufacturers Association (NHMA) exposition in Chicago in two weeks.

An important reason is that gourmet cookware and housewares sales are expected to grow, even though the overall housewares market is likely to be stagnant.

One study projects retail sales of the upgraded merchandise that comprises gourmet cookware and housewares will reach more than $1 billion by 1990, up 5% from the $985 million volume in 1985.

The study by Packaged Facts pinpointed gourmet cookware as having the largest projected growth by 1990, up 12% to $215 million, followed by cutlery, with a 10% gain to $100 million, and then kitchen tools and gadgets, gaining 7% to $375 million.

The only gourmet cookware area that Packaged Facts expects to show a decline is gourmet electrics, slipping 5% to $340 million.

HOUSEWARES
GRAND OPENING
as advertised
$9.99
$3.33

Heck's goes after higher ticket sales in gourmet housewares by upgrading the department in its Proctorville, Ohio, store. (DSN photo)

The projected increase in gourmet housewares volume comes against a background of the NHMA's estimated 5.6% decline in overall housewares sales to $23.2 million last year and questions whether this drop was a temporary slip or portends a continued contraction in housewares sales.

Gourmet cookware and housewares accounted for 10 to 12% of total housewares volume, and this percentage could show a marked increase by 1990 if traded up merchandise meets sales expectations.

Packaged Facts definition of gourmet cookware and housewares covered the broad mix of stepped-up electric and nonelectric housewares merchandised by discounter and catalogers.

The goods include special cookware and bakeware, along with items made of such materials as multi-clad stainless steel, all copper or copper bottom stainless, all glass and porcelain on cast iron.

In the gourmet cutlery and gadgets area, the items cover higher priced knife sets and specialty tools, such as a mushroom brush and pastry crimper.

The gourmet electric housewares assortment also focused on specialty products such as food processors, pasta makers, espresso/cappuccino coffee makers and woks.

The interest of discounters and catalogers in gourmet cookware and housewares was evident from their everyday and promotional merchandising of these products. An assortment of chains and the items (at the regular price) they have featured include:

Gourmet cookware prices

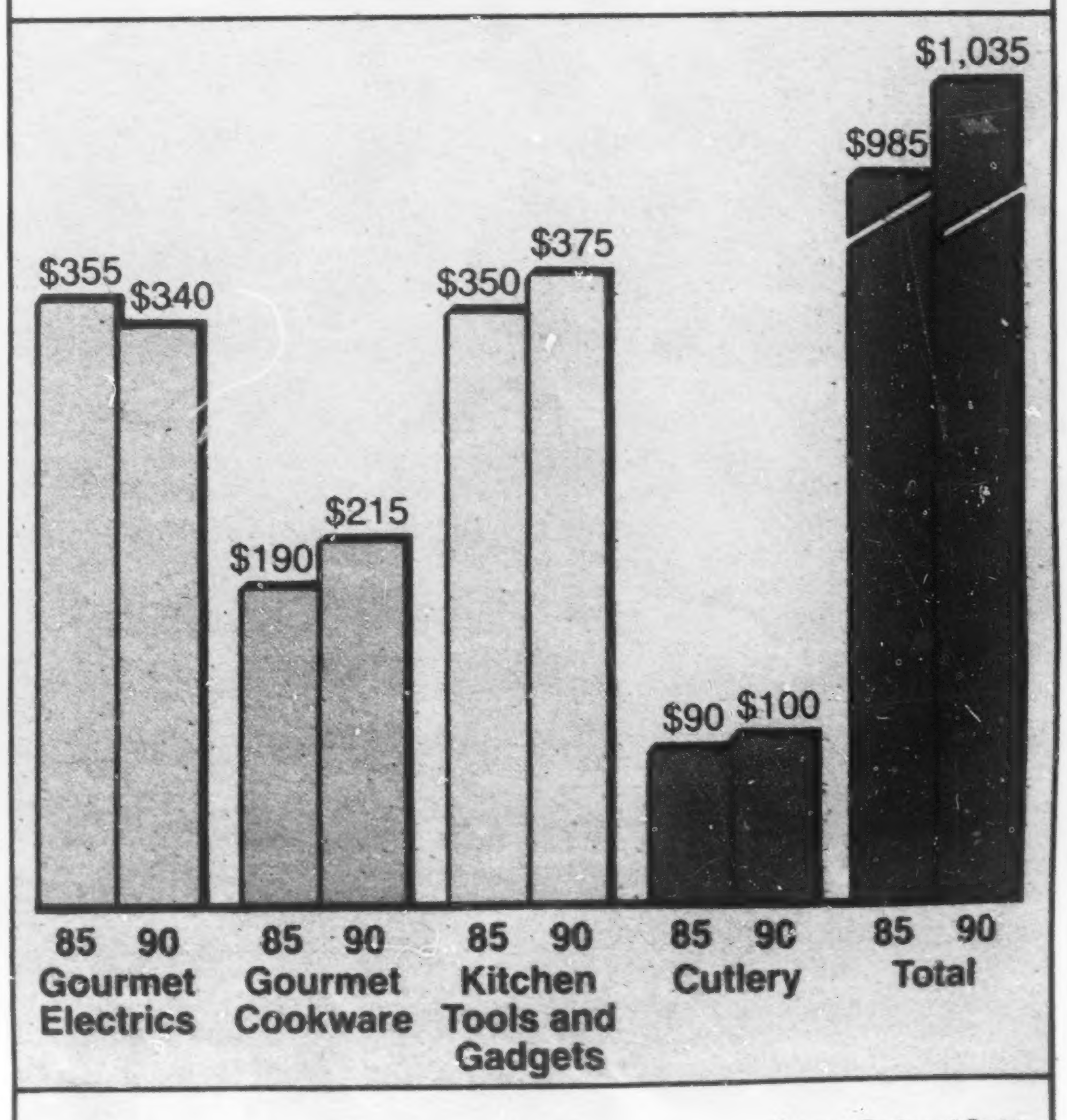
Target—Hamilton Beach Emmie food processor, $39.99, and Mirro nonstick aluminum chicken fryer, $15.99; Wal-Mart—Corning 9-in. Visions skillet, $9.94, and Presto jumbo electric fry pan, $33.42; Venture—Thermos Coffee Butler, $19.99, and Sunbeam Eurostyle electronic mixer, $79.99; Ann & Hope—Presto Minnie Max food processor, $49.88, and Ekco fruit & butter baller, $1.99, ShopKo—Chicago Cutlery Chef's knife block, $99.99, and Anchor Hocking Basket Buffet casserole dish, $8.99.

Also: Best Products—Richmond Cedar 5-qt. electric ice cream maker, $32.22, and General Housewares 5-pc Graniteware Everything Pot, $14.96; Service Merchandise—Farberware 2-qt. stainless tea kettle, $19.97, and Sunbeam Oskar food processor, $59.92, and Gold Circle—Presto Hot Topper butter melter, $19.99, and Metro 16-qt stainless stock pot, $24.99.

Discounters and catalogers are trying to boost their sales of gourmet housewares and cookware because they provide more dollar per unit of sales than traditional goods.

The Packaged Facts study noted that gourmet electrics accounted for 15% of sales and only 7% of unit movement, while gourmet cutlery totals more than a third of the dollar volume but less than a sixth of the unit movement.

Projected Retail Sales of Gourmet Cookware and Housewares
(In Millions)



Source: Packaged Facts

Color Code to Point Way To NHMA Show Exhibits

CHICAGO — A new categorization format and a designated area for new products are among the revisions awaiting those who attend next month's 85th International Housewares Exposition at Chicago's McCormick Place.

Sue Palmore, director of communications for the National Housewares Manufacturers Association (NHMA), sponsors of the show, said that more than 10,000 buyers are expected to view the exhibits of about 2,000 firms.

The new categorization concept arranges exhibitors by general product category and color codes each group:

- **Red**—Electric housewares, cook and bakeware, kitchen tools and gadgets;
- **Orange**—Serving and buffet accessories, plasticware, glassware and china;
- **Yellow**—Decorative accessories, furniture, storage and closet products, home office products;
- **Green**—Hardware and tools, pet supplies and outdoor products, and
- **Blue**—Bath and cleaning products.

In addition, a new pocket directory—*Getaround Guide*—will be distributed to attendees. It contains a list of all exhibitors by category and booth number.

For the first time, buyers will have the opportunity to preview new products in one designated area—the lower level of McCormick Place West. Each product will be identified by name, manufacturer and booth number.

Hours for the exposition, which runs Nov. 9 to 12, are: Sunday, 10 a.m. to 6 p.m.; Monday and Tuesday, 8:30 a.m. to 5:30 p.m., and Wednesday, 8:30 a.m to 4 p.m.